FINANCIALTIMES

Tuesday September 16 1980



BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Sterling [ell sharply yester-

day against all other major

currencies, although it quickly

At one stage in the morn-

ing the pound dropped by

over 2; cents against the

dollar, but it later recovered

\$2.3970. Sterling also fell

from its recent beights against the main continental

currencies - closing at

DM 4.27; against DM 4.30 on

Friday.

close 12 cents down at

stabilised at lower levels.

£ stabilises after 1.75c fall

hility of a national dock

strike in Britain, speculation

about a fall in Minimum

Lending Rate and the rise in

The dollar strengthened

against most other major cur-

encies, partly in response to hopes of a favourable out-

come to the OPEC talks and

partly following a further

The gap between UK and

U.S. interest rates is now

clearly narrowing, especially

rise in U.S. interest rates.



wards but they want both to

wait at least until the Sep-

tember banking figures are

available early next month and to see what happens to

This caution was reflected yesterday in the gilt-edged market where the recent

strong rise in prices ended.

Prices of long-dated stock, initially up to £1 higher, fell

to close around opening levels

and, in some cases, slightly

Currencies, Page 21

money market rates.

down on the day.

British Gold ship Dollar 'sunk in typhoon, firmer

carrier with a largely British crew of 42 plus two seamen's wives was believed to have sunk in a typhoon off the coast of

The 91,000 tons Derbyshire, owned by Bibby Line, is valued at more than film, largely insured in the London market. Helicopter searches revealed an oil slick close to her last reported position. She was carrying iron ore from Canada

to Japan. In Saudi Arabia, the official press agency said 89 servicemen were killed when a Saudi Air Force C-130 Hercules transport plane crashed near Medina

BA drops routes

rising losses caused by a shortage of traffic. But there will be no compulsory redundancies. Back Page.

Loan for Poland

vists gather in Gdansk today ranging to 17p. Page 28 to discuss a national co-ordinating committee. The Soviet GILTS eased 0.08 to close at Union has agreed to defer payment on a \$280m loan and provide a new low interest 10-year loan worth \$260m. Back Page; background. Page 2

Kampuchea offer Chinese Prime Minister Zhao

Ziyang said China would agree to an international peace conference on Kampuchea, but Vietnam must first withdraw some of its troops.

Trudeau warned Canada's federal Prime Min-

ister Pierre Trudeau was warned by eight of the 10 proposals for a long term oil provincial premiers that they pricing and production policy would oppose his Government's could jeopardise an OPEC comunilateral moves towards con- promise. Back Page stitutional reform. Page 3

Language protest Five Welsh language demon-

strators who ransacked the Carlisle constituency offices of Home Secretary William White-law were conditionally discharged for a year after admitting causing criminal damage to documents.

Storey jailed

Former England and Arsenal football star Peter Storey was jailed for three years after admitting conspiring to counter-

feit gold half sovereigns. Smallpox verdict

Inquest jury at Solihull re-turned verdicts of death by misadventure on Mrs. Janet Parker, 40 and her father Mr. Fred Whitcomb, 71, who died after an euthreak of smallpox m Birmingham two years ago.

Yootha's secret

Actress Youtha Joyce, star of television's George and Mildred. secretly drank upwards of half a bottle of brandy a day for at least 10 years and died a chronic alcoholic, fler solicitor told an inquest yesterday.

Name the charity

John Smith piloted a Jumbo je tcarrying more than 400 Smiths over Smith's Water Hole in Northern Australia to raise money for a charity called The Smith Family.

Briefly ...

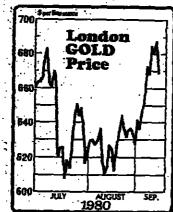
Prince Charles became a mem-ber of the International Brotherhood of Scientist-Divers. Israeli Labour Party leader Shimon Peres, was taken to hospital for treatment for severe chest and abdominal

pains.

Mild weather is expected in most of the UK in the month to mid-October. Long range forecast, Back Page

off \$18;

GOLD lost \$18 in London, Liverpool registered bulk developed soon after New York opened. Page 21



 DOLLAR was firmer at British Airways will drop some DM 1.7830 (DM 1.7805). Its routes and sell aircraft to end trade-weighted index rose to 83.4 (83.2). Page 21

STERLING closed 1.75 cents down at \$2.3970. Its index fell to 75.6 (76.2). Page 21

Polish free trade union acti-at 500.7, with Electricals' losses

70.76. Page 28 • WALL STREET was 2.22 down at 934.30 near the close.

Page 23 FRANCE has asked Britain for a £50m entrance fee to the

European Superphenix fast-breeder nuclear reactor project. Back Page Group has been set up to direct

pressurised water reactor. Page ■ IRAN'S dissatisfaction with

• CUSTOMS investigation staff are being increased to counter

the illegal importing of textiles. ● THREAT-OF LEGAL action

has set back plans to merge the AUEW's four sections. Page 10

 UNITED GLASS is making a further 582 process workers re-dundant and closing its Brimsdown, Enfield, factory.

WHITEFRIARS GLASS maker of cut glass tableware for 300 years, has closed.

• FIAT of Italy and Peugeot of France are to jointly produce a

new engine. Back Page MALAYSIAN politician and businessman Ghafar Baba is one

of the recent buyers of Duniop Holdings shares. Page 19

 ITT (UK) and ASEA, the Swedish electrical company, have reduced their direct investment in South Africa, Page 25

GENERAL ELECTRIC is to buy Californian integrated cir-cuits maker Intersil for about \$235m (£98m). Page 24

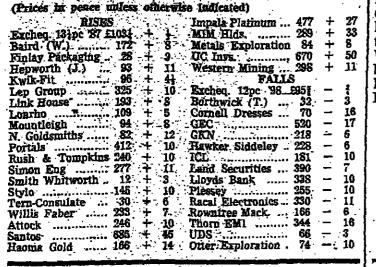
MULTINATIONAL companies have been urged to come out "loud and clear" in favour of the international accounting standards committee. FT seminar report, Page 8

SIMON ENGINEERING lifted first half taxable profits from £7.25m to £7.62m, helped by the performance of its over seas companies. Page 20; Lex

• LINK HOUSE Publications pre-tax profits rose 38.7 per cent to £4.2m (£3.03m) in the year to Jime 30. The total dividend is 8.4p net, 20 per cent more than forecast. Page 18

• RICHARDS and Wallington. plant hirer, reports first half pre-tax profits down to £439,000 from £1.18m, after a £700,000 increase in interest charges to £2.34m. Page 18

CHIEF PRICE CHANGES YESTERDAY



Union calls dock workers on strike from next week

BY PAULINE CLARK, LABOUR STAFF

The strike, over redundancies in Liverpool, would affect registered and non-registered ports throughout the country. Union leaders believe it could halt export and import trade within 24 hours, confronting the Government with what could be its most serious labour dispute since it came to office.

The TGWU will this week seek support from other unions involved in dock work, such as the National Union of Railwaymen and the General and Municipal Workers Union. It is also planning to call on Continental union leaders for backing.

The union's executive took its decision in just over an hour yesterday following a unani-mous cal for action from an 80strong delegate conference of dockers in the morning. The conference had been preserving dockers' jobs.

called to discuss the position of 180 Liverpool dockers who at the end of this month and

THE TRANSPORT and General they may be placed on the Mr. Jack Jones, former general Workers Union yesterday gave its full backing to a national The Liverpool employers, who Lord Aldington, then chairman

Until now, however the register has been used only to employers' books on £78.50 a week instead of £55 which is the rate on the register.

Throughout the talks with employers which preceded yeson the register could have widespread repercussions throughout Britain's ports where the recession is making it increasing difficult to keep dockers employed.

Mr. Alex Kitson, deputy general secretary of the TGWU, made it clear yesterday that the dispute over the register represented a straight fight with British port employers aimed at He said the union had "no

option" but to call the strike are threatened with redundancy following the Liverpool employers' threat not to honour who have been warned that the agreement in 1974 between

docks strike which is to start claim they cannot afford the of the port employers, which from midnight next Sunday — increasing financial burden of precluded use of the register the first national action by surplus dock labour, view the except to place dockers await-Britain's 23,000 dockers since register as a cheap way of ing disciplinary hearings. The 1972. wake of the 1972 strike.

Mr. Kitson said this was the place dockers awaiting discip- first time since 1974 that any linary hearings. Normally, sur-employers had threatened to employers had threatened to plus dockers are kept on the use the register instead of reallocating redundant dockers to other port employers.

He added that there was still time for the employers to avoid employers which preceded yes-terday's decision, dockers, was open for talks with any-leaders emphasised their fears body including the employers, that any move to place the men the Government or the port authorities.

Mr. Kitson said the union did want to discuss severence pay but was concerned with

recession. The National Port Employers' Association is expected to discuss tomorrow plans to raise Central dockers' severence pay from £8,500 to £10,000 — a move which the Liverpool employers hope will increase voluntary redundancies, reduce their financial burdens and lead to a way out of the present dispute.

Air and ferries offer

Fears for offshore oil industry

BY HAZEL DUFFY, INDUSTRIAL CORRESPONDENT

INDUSTRY will be bit if the which rely on the UK for the essential supplies of food and national docks strike goes ahead -but the overall worry is that it will create one more headache for management, when many are near exasperation trying to cope with the effects of worldwide recession and the particular problems being encountered by British industry.

In other sections of industry, reaction ranges from concern over the transport of essential supplies to fear of another irritant in the battle to maintain British industry' competitive-

ICI. the country's second biggest exporter, pointed yesterlay to the already-difficult situation in the chemicals industry. caused by plentiful supplies and very keen pricing. A spokesman "I can't imagine anything worse for the industry, already in a state of recession, than an extended docks strike."

Multipational companies

broken out between two

branches of the UK Rothschild

family concerning the use of the

pany for N. M. Rothschild and

Sons, the merchant bank, has

said Mr. Jacob Rothschild

should cease to be on the

boards of both companies in the

near future. In that event Roths-

child Investment Trust, the

publicly quoted company of

Mr. Evelyn de Rothschild, 49,

months of growing uncertainty

acting for what."

who is chairman of the bank ment Trust.

child."

Continuation, the holding com. group.

production of certain components could beb adly hit. Ford, for example, expressed

Theh Bridgend output is to he sent to West Germany, where it will be built into the new

Escort car to be launched in Europe on September 26. The most serious problems existed at the time of the last

national docks strike in 1972.

The industry warned last tenance schemes could be transporting vital equipment— most of it made in the UK from shore to the North Sea

If the strike is prolonged ing.

ful force in the financial

markets. Last year, a fifth of

The board of Rothschilds Reliance, the U.S. insurance to the holding company only.

investment

articles of association give the

merchant bank the power to require "Rothschild" to be

dropped from its name if there

were no longer common direc-

Mr. Jacob Rothschild, who is

name to J. Rothschild Invest-

"Your board and I were

Rothschild Investment Trust

tors.

which Mr. Jacob Rothschild is 44 and Mr. Evelyn de Roths-chairman, could be forced to child's cousin, told yesterday's

change its name to one that did annual meeting of Rothschild

not include the word "Roths Investment Trust that the com-child."

and the biggest single share- "Your board and I were holding in the holding company, deeply concerned by the re-

said yesterday that the decision sponse of Rothschilds Continua-was the result of six or eight tion to our offer," he said.

about the use of the name had been told that it would not Rothschild "People have have to change its name pro-

its equity was bought by

fuel to the rigs and platforms might be held up. Production from oil fields would be concern about the possible affected with damaging effects on the shipment of engines from its new plant at Bridgend South Wales.

however, the strike might have little effect in the early stages. Steel stocks, for example, are more than adequate in most parts of the country. The British Steel Corporation said yesterday could occur in the offshore oil that it had good stocks of iron-and gas industry, which hardly ore and coal. Another area

appears to be little cause for alarm is foodstocks. Supplies night that the development of of fresh fruit and vegetables new fields and major main- are adequate for the immediate future. This year's good barley almost immediately harvest means there should be because of the difficulties of relatively few worries about supplies of animal feed. The food manufacturing in-

dustry, however, said the key element was avoiding panic buy-

anywhere in the world.

trust's that for Rothschild Investment

Mr. Jacob Rothschild said.

addition, the use of the Roths-child name would be restricted

Trust to submit to such restric-

tions would be unreasonable

and not in its best interests,

It was "a matter of deep

personal regret that differences

within a family should involve

you, the shareholders of Roth-

schild Investment Trust, but I

have received legal advice that

I must set out the position

clearly and openly at this

merchant bank board as from

yesterday, but he intended to

stay a director of Rothschilds

Continuation until the invest-

ment trust's shares in Continua-

tion had been sold, and the

question of Rothschild Invest-

ment Trust's name had been

Lex, Back Page

How a split developed, Page 8

He would resign from the

'You will readily appreciate

following the sharp drop in London money market rates Consequently, the trade-weighted index, measuring £ in New York in the last two weeks. the average value of sterling A cut in Minimum Lending Sept. 12 against other currencies. Rate does not, however, appear to be imminent. dropped by 0.6 points to 75.6. | \$3,4075.4100,\$2,4180.4190 | 1,11-1,06 dig 1,13-1,08 dis. | 2,34-2,29 dig 2,48-2,43 dis. | 4,10-3,95 dig 4,40-4,20 dis. The fall in sterling was Treasury ministers share the general view that the trend in interest rates in description attributed to a combination of factors, including the possiinterest rates is

Manufacturing output is

the dollar.

below worst 1975 level

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

MANUFACTURING OUTPUT is falling faster than expected and is already lower than at the worst stage of the 1975

Statistical Office figures published yesterday that the recession is deepening, and is spreading out across most sectors of industry. Following a sharp drop in orders in the late spring, indus-trial output fell 1.9 per cent between May and July compared with the previous three months. In July the all-

There are indications that there will be a further fall in production during the autumn. The most recent trends survey by the Confederation of British Industry indicates a weak level

months.

Reports from the regions in reviewed their outlook after the Treasury in March. summer holiday period and a

The decline in output so far average for 1979. This compares cent down. with a Treasury forecast in March that manufacturing output for 1980 as a whole would

indications present estimates by the CBI and others

		ECONOMIC	ACTIVITY	
		Industrial output . 1975 = 100	Manufacturing output 1975 = 100	Retail sales volume 1976 = 100
1979	7st	770,4	102.5	700.4
	2nd	114.8	107.0	106.0
	3rd	112.6	103.1	79.0
	4th	112.4	703.8	701.0
1980	lst	110,4	100.6	102.4
	2nd ·	104.6	97.1	100.6
	lune	107.1	97.2	100.7
	July	106.4	96.7	99.0
	August		-	100.5

industries index was 106.4 All figures seasonally adjusted (1975 = 100), compared with an average of 112.6 in 1979.

that the fall over 1980 will be demand in the economy was between 6½ and 7 per cent look more realistic.

demand in the economy was further highlighted yesterday by Department of Trade figures Nevertheless, activity in other

areas of the economy - notably of output in the next four services and the public sector has been stronger than expected. Consequently, the last formight suggest that drop in total output this year, a new round of cuts in orders, as measured by real Gross below the low hereis of the Domestic Product, may not be summer, may be starting. Many much larger than the 24 per companies appear to have cent fall forecast by the the

Manufacturing output common conclusion appears to declined across the board. For be that further cuts are neces- example, the output of the has already been larger than below the 1979 average. On the expected, especially in manufac- same basis the output of the turing where production in the chemicals, coal and petroleum first seven months of this year products sector, previously a was 5.3 per cent lower than the strong performer, was 5.5 per

Overall, industrial output was 4 per cent down on the same put for 1980 as a whole would comparison, although rising be 4.5 per cent less than last North Sea oil and gas production partially offset the fall in manufacturing. The general weakening of

which show that that volume of retail sales between June and August was 1 per cent less than in the previous three months. During the first eight months of this year the average level of trade was roughly one half per cent less than the average

The provisional estimate suggests, however, volume of sales recovered slightly last month from the very low level of July. be that further cuts are necesexample, the output of the The seasonally adjusted index sary in view of continuing textiles, clothing and leather was 1004 (1976=100) compared sector in the first seven months with 99.0 the previous month, of this year was 11 per cent though it was still much lower than earlier this year.

The Department of Trade suggests that the pick-up in August and the rather uneven pattern of trade in recent months may be the result of retailers extending sales and making special offers which have changed the normal seasonal pattern of

Continued on Back Page Editorial comment, Page 16 Welsh unemployment, Page 6

IT DOES A DAY'S WORK UK Rothschilds in bitter row over use of family name INAN HOUR BY RICHARD LAMBERT BITTER public dispute has has over the past few years tional or recognised banking token out between two become an increasingly power-businesses under any name

Let's say you had a 30 page document, needing typed revisions and amendments on every page. It would take around a day.

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become confused about who is vided that neither it, nor its cting for what." associates, nor Mr. Jacob RothsRothschild Investment Trust child himself, carried on addi-CONTENTS

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meeting."

clarified.

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Bundesbank head adds DM5bn to deficit forecast

THE BUNDESBANK, West Germany's Central Bank, has should still reach the forecast become more pessimistic since growth of 2.5 per cent this year, July about the likely size of although it had virtually stagthe deficit on this year's current nated in July. After the suraccount. Herr Karl Otto Pöhl, prisingly strong start in the first president of the bank, said yesterday that the deficit could he "nearer DM 30bn" (£6.977bn) than the previously

The Bundesbank has already had to correct its current account forecasts once before this year in July, when it against carlier forecasts of DM 20bn.

The current account plunged into a deficit of DM 10bn last pear for the first time since 1965, but in 1980 it has had to take the full impact of the dramatic series of oil price increases over the last 18 months. In July the fall into deficit was accelerated, particularly by

seasonal factors, which resulted in a monthly deficit of DM 5.2hn. compared with only DM 2bn in the corresponding month last Herr Pohl is confident, however, that the size of the deficit

be considerably reduced next year. Without the oil price increases the current account would have been about in balance this year, he said. With the slowing down of the

domestic economy more re-council meets on Thursday to sources would be released for review its monetary policy, but exports, he said. At the same the financial markets here are time the rate of growth in imports would be slowed down.

BY OUR BONN STAFF

cussed with Moscow.

In Bonn, Mr.

Dietrich Genscher,

intensive consultations with its

West European allies yesterday

for future Euro-strategic talks. tions."

One of the main problems has

heen what sort of consultative

role should be assigned to

Western, or indeed Eastern.

Europe when the Soviet and

U.S. meet to discuss, among

other things, the Soviet medium

range nuclear weapons targetted

In Brussels, meanwhile, the North Atlantic Treaty Organisa-

tion's special consultative group

began two days of talks yester-

details of the Western position

before Mr. Andrei Gromyko.

the Soviet Foreign Minister.

meets Mr Edward Muskie, the

II.S. Secretary of State, in New

seem to be attaching consider-

able symbolic importance to the

meeting which they hope will

restablish a dialogue on arms

control that was interrupted by

Soviet invasion

BY LARRY KLINGER IN BRUSSELS

would be looking at areas in

away from Europe: defence,

The West European allies

York on September 25.

also aimed at settling

on Western Europe.

U.S. consults allies

THE UNITED STATES started Chancellor Helmut Schmidt.

to put the finishing touches on President, saying that medium-

arms control proposals to be dis-cussed with Moscow. range weapons—that is, those that directly threaten Western

Christopher, U.S. Deputy Secre- the lowest possible level. The

tary of State, met Herr Hans letter was effectively a reply

Germany's Foreign Minister, to calling for "the speediest pos-

discuss the possible framework sible start to arms negotia-

on arms control

The West German economy quarter, when the West German gross domestic product expanded by fully 5.8 per cent, growth in the second quarter was down to 1.5 per cent.

The very high deficit on the current account has seriously limited the Bundesbank's room for manoeuvre in relaxing its tigh monetary policy. Growth admitted that the total deficit tigh monetary policy. Growth could top the DM 25bn mark in the money supply in recent weeks has even been below the Central Bank's own aim of a growth of between 5 per cent and 8 per cent in the Central Bank money stock from the fourth quarter of 1979 to the fourth quarter of 1980.

But the Central Bank has had to resis mounting pressure, chiefly from the trades union movement, for a signific at easing of the monetary reins because of the need to finance through the markets.

As a result it has been unable to reduce its key interest rates. the discount and Lombard rate, which are standing at a postwar record level, because its main priority is to maintain the Deutsche Mark as an attractive

currency for foreign investors. The Bundesbank central expecting no important changes of direction to be announced

recently sent a letter to Mr.

Leonid Brezhnev, the Soviet

Apart from Europe's possible

consultative role in future super-power arms talks, which

both sides agree should be

started before SALT II is rati-

fied, there are a number of

delicate issues to be discussed and if possible ironed out before

the Gromyko-Muskie meeting.

How to react to the Soviet

proposal of including forward

based systems in the early

round of super-power talks.

forum would be best suited for future talks, given that

SALT II has not been ratified.

scheduling of future meetings.

It is acknowledged by Bonn

officials that while the Muskie-

Gromyko meeting is of great

symbolic value, little concrete

can be achieved before the result of the U.S. presidential

The Australian trade qaurrel

elections is known.

that reported to feel the same.

German officials despite Mr. Brezhnev's letter, is

Australia renews threat to

that his Government might but added that he might give divert trade worth up to A\$1bn details on Thursday. The Aus-

(£485m) from the European tralian Cabinet is currently Community if there was no studying the implications satisfactory settlement to Auscancelling an order wor satisfactory settlement to Auscancelling an order worth tralia's trade difficulties with A\$200m for four Airbuses.

divert trade from EEC

The exact 'timing and

Questions of protocol: what

These include:

Warren Europe-should be limited at

West to one sent by Mr. Brezhnev

Leslie Colitt reports from the dilapidated Gdansk hotel at the hub of Poland's new unionism

Squalor and hope at the Hotel Morski

In November 1917 a brilliant the Congress of Workers and crackles. Men and women from Soldiers' Deputies. Sixty three years later, in a tiny office on the fourth floor of the run-down Hotel Morski the worker, Lech Walensa, is attempting to give to the long silent common man in Poland.

When delegates arrive in Gdansk tomorrow, from factories, offices and institutions throughout Poland they will have trouble finding a room in the dilapidated hotel large enough to hold the organising Congress of the first independent trade union in the Communist world.

Throughout the day a stream of shabbily dressed people file into the former seamen's hotel which since September 8 has housed the Independent and Self Governing Trade Union. They mill in the corridor of the fourth floor seeking advice and

help. Some were sacked in the past for political reasons and are unable to support their families. Wives and husbands come in the hope of obtaining the Polish dream, a self-contained flat for their families after years of waiting.

Walentynowicz, the woman worker who was fired from the Lenin shipyard and whose reinstatement was the

guarantee

for Malta

By Rupert Cornwell in Rome

believed to be around L20bn

(£10m) annually over five

The understanding will come

into force as soon as Maita has

issued a specific declaration of

its own neutrality. This will

make clear that the island will

not adhere to any alliance, nor

permit on its soil foreign

military bases or soldiers, nor

extend ship-repair facilities to

either U.S. or Soviet vessels in

Rome has promised to recog-

nise Valletta's neutrality and

to urge other countries to do

the same. Should Malta's new

the sudden worsening of rela-

tions between Malta and its

would-be patron and protector Libya, is the most vivid sign

yet of Italy's more vigorous

foreign policy stance in the

southern Mediterranean.

The agreement, which follows

the Mediterranean.

Italian

THE HOTEL MORSKI has first demand of the striking become to Gdansk what the workers, is in charge of finances. Smolpy Institute was to revolu- She hands out small packets of although zlotys to the needlest and is one somewhat different of the 19 members of the union's organising presidium.

At the other end of the intellectual, by the name of corridor, outside a door marked Vladimir Lenin, presided over Lech Walensa, the atmosphere all over Poland, delegates from factories and mines, bring messages of strikes still taking place and take away advice on forming the new unions' organising committees. Ordinary citizens wait for hours in the hallway for any information on political development elsewhere Poland.

Inside the office Mr. Walensa sits slouched in a high-backed swivel chair underneath a huge potted palm. His bodyguard. strapping shipyard worker. sits opposite and passes a message to him from his wife. "The strike took place a year

too early," Mr. Walensa moans. We weren't prepared for it. If it had taken place next year. we would have had the statutes drawn up. Now we have chaos." His sober expression quickly

clears and with evident pleasure he tells about a meeting with the Minister of Heavy Industry. leafs through a West German It is the Government which now magazine and cracks: "Why is comes to Mr. Walensa with requests. When meeting darksuited Government officials he keeps on his colourful "guard" of an open green-patterned

As for his planned visit to Rome and Pope John Paul, he says he still wants to go, but Walensa on the screen since the that setting up the new union Gdansk strike ended.



Mr. Lech Walesa, charismatic union leader: "a year too early"

is his first priority at the moment. He notes that the Pope's visit to Poland had a great influence" by inspiring Poles to fight peacefully for their rights.

Popping chocolates into his mouth from a bag. Mr. Walensa it I'm not on the cover?" is a favourite of Western television correspondents, who discus with him his coming day's schedule.

This aspect is beginning to worry some of his advisors, but in Poland no one has seen Lech

Mr. Walensa grows serious for a moment when asked about Eastern Europe to the Polish upheaval. He says that the wave of arrests in Czechoslovakia of leading Charter 77 members will only cause solidarity and resistance to grow

"I was arrested dozens of times." he says, "And it made me feel stronger."

Messages of support reach him daily from all over Eastern Europe. He shows a visitor one letter that just arrived from the Ukraine. Although he has never travelled outside Poland. Mr.

in Eastern Europe have the same dreams as Poles.

" And now I have to talk with. my advisors," he says, swivel-ling 90 degrees in his chair. The quick grin and twinkling eyes conceal this metalworker's iron determination.

One of his aides says Mr. Walensa is particularly angered. because the new union until now has been denied access to printing facilities. Meanwhile the old tributing leaflets in the ship-yards warning workers they will lose their social benefits if they defect to the independent union.

After he hinted to local party officials that the workers were getting "impatient." over not seeing their views reflected in Gdansk's district newspapers. the Communist Party agreed on Friday to publish a long article giving the standpoint of the presideum of the MKZ, the union organising committee.

Young men and women arrive the Hotel Morski from various parts of Poland with their canvas shoulder-bags filled with underground newsletters. Others pick the printed material for distribution. The publications bear imprints such as the "Free handprinted publishing house, in the fields, Polska."—

Hundreds of young men from the shipyards and offices in Gdansk have taken holidays to help organise the new union. They say at least im signatures have been collected from Polish factory and office workers,

For some time to come, the headquarters of the new independent amion will remain in Gdansk rather than move to Warsaw.as its greatest strength

comes from the nearby ship-Most of the issues thrashed out at the endless meetings in the Hotel Morski are practical organisational ones in which money plays an important role. Government union has been dis- The union is advising workers not to leave the old union until it can provide them with the same social benefits.

Some questions, however, go to the heart of Gommunist ideology. The organisers of the new union in Warsaw have pro-posed that Communist Party members joining the independenf union will not be subject to the party's authority. This is something Moscow could nevey accept and the view in Gdansk is that it would scare away too many party members. Roughly 10 per cent of the signatures supporting the new union are

from party members. The evening 6.10 pm flights from Glansk to Warsaw is a remarkable sight. Members of the Opposition from Warsaw, who have been to the Hotel Morski for consultations, mingle with businessmen returning to the capital. Jacek Kuron, the influential head of KOR, the social self-defence committee, waits patiently with his boarding card in hand while behind him stand men for the political police who keep close watch on Mr. Kuron 24 hours a day.

Suarez call

for vote of

confidence

By Robert Graham in Madrid SPAIN'S. Prime Minister, Sr. Adolfo Suarez, is today ex-pected to seek 2 vote of con-

idence from Parliament for his

new Government, sworn in a

The vote will be based on a

programme which will be

largely made up of economic

measures to tackle unemploy-

ment and to boost growth.

week ago.

Turkish strikers obey back-to-work order

BY METIN MUNIR IN ANKARA

locked out Turkish workers gramme and the agreements went back to work yesterday and protocols made in connecrulers banned strikes and lock-repairing and improving the outs. Employers were ordered economy will continue." to grant these workers and a It was signed by General number of others involved in Kenan Evren, chief of staff, who disputes a 70 per cent interim led last Friday's bloodless coup ITALY and Malta yesterday exchanged notes formalising the understanding between the pay increase, pending the which overthrew the right-wing settlement of labour contracts. Government two countries on the guarantee The country was reported to

of Maltese neutrality and paving the way for a steady flow of Italian economic aid to be quiet throughout as the Generals in charge of law and The exchange took place at separate ceremonies in Rome and Valletta. As far as the Italian government is con-cerned, the terms now go to the Cabinet for approval. The amount of aid was not disclosed by the Foreign Ministry, but is

National Security Council—the was replacing the signature of The behaviour of Mr. Turgut framework of Belgia six-member junta—said: "The the ousted Government with its Ozal, Mr. Demirel's chief to cut defence costs."

BY ROBERT MAUTHNER IN PARIS

smaller than the record monthly yesterday.

than FFr 40bn.

MORE THAN 50,000 striking or application of the economic prothe country's military tion with it for the purpose of

An official advising Gen.

Evren on economic matters said the statement meant that until order continued to issue long-term economic policies decrees intended to restore were drawn up the military caim. The junta announced that government would abide by the ancial institutions. it would persevere in the letter of Turkey's standby economic stabilisation pro-agreement with the Internagramme being followed by the tional Monetary Fund. The second half of this month when mandos was taken on Friday as ousted civility regime.

A statement issued by the Fund that the new Government the \$1.6bn standby accord.

The second half of this month when mandos was taken on Friday as the fund that the new Government the \$1.6bn standby accord.

Coup. But it also falls into the

£400m trade deficit for France

FRANCE suffered another sub- for non-energy trade. which Ministry also stressed that trade

stantial trade deficit in August showed a surplus of FFr 7.9bn in capital goods, which was in

of FFr 4.02bn (about £400m), in August. This was FFr 2.4bn surplus to the tune of FFr 1.6bn

seasonally adjusted, bringing higher than the average in August, had shown a marked

the total shortfall since the monthly surplus over the first improvement as the result of

But the trend for energy

However, the August deficit imports improved in August was in balance for the first time

showed an improvement of after an exceptional increase in since September 1978, thanks to

FFr 1.6bn on the previous July, the Ministry of Trade satisfactory exports and lower

tural products and processed

energy imports, particularly oil, last month and showed a comprobably widen to FFrs 50bn, was underlined by the figures bined surplus of FFr 1.7bn. The about five times that of 1979.

said, also covered the previous Government's programmes for liquidating debts to suppliers totalling nearly \$2bn (£827m), debt restructuring agreements with the Organisation of Economic Co-operation and Development countries and other documents pertaining to

the large Turkish debt. The declaration was also intended to reassure the Turkish business community and Western Governments and fin-

A test of how the IMF views the new regime will come in the

Trade in consumer goods, too,

The latest trade figures are in

month that France's trade de-

French exports of agricul- line with estimates made last

foodstuffs continued to do well ficit for 1980 as a whole would

economic advisor and the The statement, the official architect of his economic measures, will be a significant indicator of Gen. - Evren's economic intentions. He and Mr. Ismail Hakki Aydinoglu, governor of the Gentral Bank, have been advising the new Covernment and the indications so far are that their proposals are being taken seriously.

Giles Merritt in Brussels writes: Beigium is withholding its troops from North Atlantic Treaty Organisation exercises now being held in Turkey. Foreign Ministry officials said yesterday that the decision not to send a battalion of com-

projects

By Charles Batchelor

under fire

MANY DUTCH development aid

projects are poorly planned and

nadequately supervised, accord-

ing to a report which has just been made public by the Over-

The report is particularly worrying for the Netherlands,

which is one of the world's most

generous aid donors. It is joint second with Norway in the table

of official aid, compiled by the

seas Development Ministry.

This is the first time that Sr. Suarez has sought such a vote since being confirmed in office after the general election of March 1978. He is certain to obtain the vote, and is using the procedure as a means of launching his new Government. framework of Belgian attempts **Dutch** aid

The ruling Democratic Centre, party holds 166 of the 350 parliamentary seats. Soundings indicate that Sr. Suarez can count on the eight votes of the conservative Catalan nationalist party of Sr. Jordi Pujol, and probably on the nine votes of the right-wing Democratic Coalition led by Sr. Manuel Fraga. The Basque nationalist party has recently announced its return to Parliament after an eight-month boycott and its

go to Sr. Suarez. If this proves to be the case, the Prime Minister will be able to claim that the vote is a success compared with voting on censure motion sponsored by

seven votes are also likely to

the Socialists in June Observers believe there are unlikely to be major policy changes in Sr. Suarez's policy document.

Swedish engineering

workers attacked

SWEDISH engineering workers spend less time on their jobs than their colleagues in 12 other West European countries, according to the Swedish engineering 'employers' association, William Dullforce reports from Stockholm. Full-time employees worked only 1,513 hours on average last year compared with the 1,902 hours chalked up by British engineering workers the association says. A high rate of absenteeism and little overtime were blamed.

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European airline costs '£620m too high'

beginning of the year to more seven months of this year.

month's figures and was much noted in the communique issued imports.

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

(£620m) and \$2bn (£827m) more than they need be, es a result of deficiencies in air traffic control systems and other problems, such as extra flying caused by the existence of large AUSTRALIA'S Deputy Prime
Minister, Mr. Douglas Anthony,
Minist military areas closed to civil

The International Air Transport Association, representing will collect up to \$1.2bn from national traffic systems, add fees charged by the British most of the major scheduled airlines using the airspace for extra distance and flying time Airports Authority, which they girlines in the world, in a study which it is responsible.

AIRLINE costs in Western designed to find out why the Europe are between \$1.5bn costs of air journeys in Europe are greater than for comparable distances in the U.S., says that heavy charges for air traffic control are a major factor.

shortfall of FFr 7.2bn in May.

The adverse effect on the

trade account of highly priced

Eurocontrol, the international body providing air traffic save up to 600m gallons of fuel transport industry of about control services in much of a year, worth \$800m, and cut \$700m a year. North-West Europe, is planning out some 240,000 hours of unan increase of up to 40 per cent in its charges next year, and will collect up to \$1.2bn from national traffic systems, add fees charged by the British

The IATA study shows that if freedom from restricted military areas and a correspondsystem, such as exists in the U.S., European airlines could excessive number of different

If Europe adopted U.S. Western Europe had the same methods of airport funding (either on a federal basis or through local bond issues) iningly unified air traffic control stead of loading the charges onto the airlines, there would be a further saving for the air In Britain alone, more than

necessary flying. At present the 20 foreign airlines are banding together to fight dearer airport say will result in higher fares to I thorough survey

Organisation of Economic Co-operation and Development, and is exceeded only by Sweden, Dutch aid amounted to \$1.4bn (£579m) in 1979 or 0.93 per cent of gross national product, The report was drawn up by the development aid inspectorate, which was set up three

years ago. It advises that many

altered

of the programmes should be

radically or even brought to a halt. Mr. Jan de Koning, Minister for Development Ald, has denied in a letter to Parliament that the report's conclusions can be applied to the entire Dutch aid programme. Only 90 of the 2,000 aid projects had been covered. The Ministry is carrying out a more

Roger Boyes accompanies Herr Genscher on the campaign trail

Over the top with Bonn's Foreign Minister

Mr. Anthony said he was hoping to get "a degree of common Agricultural Policy. satisfaction" during four days of talks with top EEC officials. Otherwise, his Government their traditional European trade datafet in the property of the prope markets but threatening their which its purchasing power new markets for dairy pro-could be used to divert trade ducts, sugar and meat by Enemy territory: The West "dumping" EEC products on Foreign Minister's world markets at subsidised bullet-proof Mercedes bumps over the cobblestones behind Memmingen theatre and splut ters to a halt. The star is 35 minutes late, the crowd is bored but the sun is shining and almost everybody is prepared to forgive and forget. Hans Dietrich Genscher springs onto the platform, slips, recovers his hitches up his (a pre-election diet has caused sartorial problems), acknowledges

Bavaria is the homeland and ower base of Franz Josef Strauss, undisputed leader of the Christian Social Union, State
Premier and the opposition's to the negative qualities of Herr combative contender for the Ruhr, he is the man they hate travelled down from Bonn to win the hearts and minds of Memmingen burghers to the Free Democratic Party, the junior coalition partner.

triumph for stability and reason). economic policy (ditto)



Strauss (unstable, unreasonable) Chancellory. In the industrial -Herr Genscher appears to have won a few hearts but not all here he is "our Franz that many minds. One old-age Strauss, keeping Chancellor Herr Genscher has pensioner says "he has such a Helmut Schmidt in power and to love, here he is "our Franz that many minds. One old-age Strauss, Josef." Herr Genscher has pensioner says "he has such a Helmut nice voice, such a sympathetic ensuring that the demon Left-(Herr Genscher is 53). middle-aged schoolteacher complains that Herr Genscher

After a 25 minute speech—the Left-wing in his speech but world." For Herr Genscher it ranging from foreign policy (a he still scrambles to get an certainly is. Fifteen minutes of triumph for stability and autograph from the FDP chair-autograph signing, five minutes man ("for my children, Herr Minister "). Herr Genscher's speech was

his formula election piece, tried and tested throughout Germany. It finishes with an appeal to the listeners: "The overwhelming lesson of our generation is that war is unbearable - help me, help us, to make sure that it will never happen again."

This climax ties up neatly with the introduction which is amended slightly in Memmingen to take in the mili-tary coup in Turkey: "We live tary coup in Turkey: "We live in an uncertain world—Afghani-

stan, Poland. Turkey. . . . We cannot afford experiments. The coalition must continue. . . . "
This then is the tenor of his campaign: Germans should vote FDP and thus keep out the unpredictable figure of Herr wing of the Social Democrats

does not have free rein.

did not mention the threat from crowd: "This is a fast-moving dialect.

of hand-shaking with the local FDP cell (eyes glaze), and short talk with a man in a wheelchair. Time has run out Beer Tent. Walxheim, Baden Wuerttemberg, 20.30 Friday night: Friendly territory, Wil-helm Pflanz, a local farmer and gifted party organiser,

whipping up the crowd in anticipation of Herr Genscher's arrival. There is no need. The mood resembles a revivalist meeting with the added advantage of free-flowing beer. These are the FDP party faithful, overwhelmingly farm-workers, overwhelmingly fans of Herr Josef Ertl, the FDP Agricultural Minister and trusted friend of the German (if not the British)

Herr Genscher arrives from Memmingen, a three-hour drive, bounds (this time successfully) onto the platform, takes off his jacket, hitches up bis trousers. There are genuine cheers as Herr Genscher clasps Herr A local FDP official tells the Pflanz and attempts a local

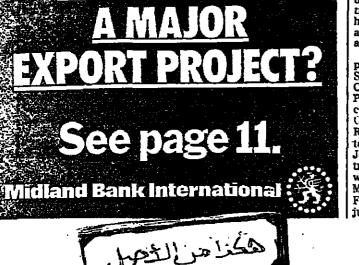
shifted around a bit for the Walxheim farmers-agriculture plays a more important role, the foreign policy part is reined in. The restructuring scarcely matters—the audience is too excited to listen. Volume is everything, content is of only passing interest. Every quip is backed: by a roll of drums by the local farmers association ... prompted by Herr Pflanz Every side-swipe at the Social Demo-crats or Herr Strauss is greeted with ecstatic applause. This sometimes borders on the ridicu-

The FDP (and indeed the SPD) - case is "The coalition be allowed to continue must what it has been doing up until now, especially with everything so uncertain in the rest of the world." The opposi-tion case is: "Under no cirfor example—have been lost.



Herr Genscher . . . "such a nice voice"

The party's main election slogan is "this time, everything -is-at stake (fiesmal ghet es um das ganze), this time vote for the FDP." This is a tacit reference to the North Rhine Westphalian elections which saw the FDP, sandwiched in the battle between Chancellor Schmidt's cumstances can we allow the SPD and Herr Strauss's coalition to continue what it Christian Democratic opposihas been doing until now, tion, achieve only 4.9 per cent especially with everything so of the vote, effectively pushing uncertain in this world." Some it out of the State Parliament. where in between, the usual The same, the slogan implies. agenda of an election-issues, could happen again on October



in gathering at Capitol

BY ĐAVID BUCHAN IN WASHINGTON

MR. RONALD REAGAN, to across the board paring in in- has shown very considerable gether with Mr. George Bush, come tax, an effort to get his Republican running mate, private investment to create yesterday held a big rally with Republican Congressional defence spending. leaders on the steps of the. Mr. Carter has certainly had Capitol to show their party's a rough ride from Congress. Its "unity of purpose" in seeking defeat of his proposed petrol to end the "divided leadership" that President Jimmy Carter stance, was the first occasion has given the country.

candidates and Loyalists that party. But even on their most

The Republican challenger went on to promise a five-point action plan to be accomplished in the first year of a Reagan Administration. This includes spending and pay cuts in Congress as an example to the weighting of electoral college country, a reduction in non-votes.

defence spending while "pro- Mr. Carter carried the state tecting those in need," an four years ago, but Mr. Reagan

inner city jobs, and increased

tax increase last May, for infor many years that a President Mr. Reagan told a crowd of had been over-ruled by a Con-several thousand Republican gress controlled by his own "never before in history have optimistic calculations, Republiso many legislative proposels cans can hope to win control been ignored" by the Congress only of the Senate this year, as under the Carter Presidency. with the House of Representatives virtually certain to stay

> Both Mr. Reagan and President Carter yesterday prepared for campaign trips this week to Texas, a large state with a heavy

strength there. Of some small comfort to the President is the fact that Mr. John Anderson, the independent candidate, has made only a slight showing in the Texas opinion polls and may siphon off few votes there from the Democratic ticket.

The Carter campaign, now well aware that it is in a very tight race, this week lost one of its top strategists when Mr. Tim Kraft, the President's expert on field operations, took a leave of absence from the campaign because he is now being investigated by the FBI for alleged use of cocaine some three years ago,

A special prosecutor has been appointed to the case, as in the recent allegations of cocaine use by Mr. Hamilton Jordan, the President's . campaign chief. Those allegations were subsequently found to be ground-

Reagan rallies supporters | Carter risks storm over Nicaraguan aid move BY DAVID BUCHAN IN WASHINGTON

PRESIDENT JIMMY CARTER promised to the Managua Somoza in Nicaragua, in 1979. has risked opening up another Government. foreign policy campaign issue Government.

Specifically, the Administration has now found that Nicaregua is not supporting violence or terrorism in tries, thus meeting a condition set by Congress in approving the ald which has long been former President Anastasio who has something of a bee in

\$75m (£31.2m) aid package to directly engaged in terrorism the Administration did "not left-wing Nicaraguan in Guatemala and El Salvador, intend to abandon the vital economy needs all the help it but also being used as a conduit Central American region to can get came yesterday in the Carter for Cuban arms."

The official Republican Party allies." platform, on which Mr. Reagan It was earlier thought likely is running for President, that Mr. Carter would stay his other Central American coun-includes a strong condemnation hand on Nicaraguan aid until of the left-wing Sandinista after the November election and Government which ousted avoid clashing with Mr. Reagan,

Defending the aid move, American "Communism." The move was immediately White House officials argued it attacked by Mr. Reagan's was important for the U.S. to istration to help Nicaragua has with Mr. Ronald Reagan, his Republican supporters, including Republican combatant for the U.S. to istration to help Nicaragua has Republican combatant for the ing Representative Robert political pluralism, free entermining the banks, who recently negotiated white House, by giving the final Bauman, who charged that prise and Press that still a refinancing of \$600m of go-ahead to a controversial Nicaragua was "not only existed in Nicaragua and that Nicaragua and that Prisidence that the Nicaraguan.

his bonnet about Central But pressure on the Admin-

Evidence that the Nicaraguan Cube and its radical Marxist annual report of the Inter-American Development Bank,

based in Washington. The bank

estimated that Nicaragua's Gross Domestic Product

dropped by 25.8 per cent last

year in the chaos produced by

This contrasted sharply with by 6.2 per cent in 1979, an acceleration from the average growth rate of 4.7 per cent in 1976-78 and 3.1 per cent in

This was faster than growth in other areas of the world, the bank noted, but was accompanied by swelling balance of payments deficits and heavier external debt. In addition Latin America's population growth absorbed much of the benefits of the region's faster growth.

Borrower profile, Page 24

Virgin Islands pins its future on oil and minerals

BY GORDON WEIL RECENTLY IN THE VIRGIN ISLANDS

the probable launching of oil and mineral exploration as a "very important turning point"

For the 11.500 inhabitants living in the UK dependent territory, most of them in Road Town on the largest island, Tortola, the prospect of oil and mineral wealth is both appealattractive, but the Government beauty of the island group will not be shattered by the boom town flotsam of the oil industry. In August, Mobil Oil paid the

Government a \$360,000 (£150,000) fee for the right to proceed with oil drilling in an area 14 miles north of the island of Jost Von Dyke. It plans a seismic study and will begin drilling as soon as rigs are available, probably some-

Right on the heels of Mobil came Noranda, the Canadian stepping stone for increased group, which seeks similar U.S. commercial interest in the exploration rights north of British territory,

MR. JAMES DAVIDSON, Anegada, in an area immedi-Governor of the British Virgin ately to the east of the Mobil Islands in the West Indies, sees concession. In addition, copper and molybdenum on Virgin Gorda, a popular resort for a territory which in the past island. The Government is withnas based its prosperity on holding its decision on the tourism and a flourishing yacht chartering business.

Noranda requests until discussions with its I order. consultants are complete.

"We do not want the oil comnanies to disrupt the way of life," says Alfred Penn. a highly respected leader of the local community. Mr. Penn believes ing and threatening. The the Government obtained suffici-possible oil revenues are clearly ent assurances from Mobil and wants to be sure the tranquil adverse reaction to the Mobil concession.

The Virgin Islands were ruled by Denmark tignoring brief interludes of British rule early in the 19th century) until 1917. At that point, four large islands and 32 smaller ones were taken by Britain, while three other large islands and 50 smaller ones were bought by the United States. The adjoining Virgin Islands of the United States, with a population exceeding 63,000, has been a



In late 1978, Bahamas International Trust Company Limited launched a branch operation of a type long identified with the Cayman Islands. Four commercial banks, including Barclays and the Bank of Nova Scotia, also have offices, and the Government clearly wants the British territory to capture some of the Cayman business.

In 1979, the Government took \$217,000 in fees from off-shore operations, and in the first eight months of this year revenues rose to \$400,000. The total official budget for 1980 is

as the local currency.)

accord can be reached allowing the U.S. to close tax loopholes, while leaving the British Virgin Islands Government with "reasonable off-shore business and revenue." Most officials believe a new tax treaty, currently being negotiated directly by the Government with Washington, will result in a

reduction in receipts. without Even drilling and off-shore capital, the territory has seen steady growth. Many attribute this success to the centralised control that results from the Governor's

Tourism boosted per capita GNP to \$2,000 a year in 1978. a healthy level for the Caribbean. But oil exploration reduces the territory's vulnerability to fluctuations tourist income.

Politically, some complaints against prosperity.

\$11.5m. (The U.S. dollar is used have been voiced about the Governor being named by Washington worries a bit London rather than locally. In about this development and, 1978, some natives demanded several months ago, the U.S. that London remove then-Treasury Department, con-cerned about the practice of cause he had commuted the taking such fees, began death sentence of a convicted

pressing for renegotiation of murderer.
relevant tax treaties. Mr. A year
Davidson is hopeful that an Service A A year later, the local Civil Service Association demanded recall of Governor Davidson. who had released the body of a young American who had drowned, even though a magistrate insisted his inquest was not complete. The loser in last year's legislative elections complained about Mr. Davidson's selection of his rival as Chief Minister. In all cases, London backed the man on the spot.

In fact, Britain has made it clear that it will insist on naming and backing its own officials, unless the Virgin Islanders opt for independence. But there seems to be little interest in a break with Britain.

Perhaps one reason for the island's apparent social and political calm is the greater local concern for the fruits of continued economic development than with ideology. And it's hard to argue

Trudeau faces tough battle with premiers

BY JIM RUSK IN OTTAWA -.

EIGHT OF Canada's ten pro- lateral "patriation," and several vinces will oppose Mr. Pierre key premiers said they would Trudeau, the Prime Minister, oppose it. if he moves unilaterally to give Canada its own constitution in vowed he would use all political place of the British North and legal means necessary to America Act passed by the U.K. stop Mr. Trudeau, and Mr. Peter Parliament in 1867.

conference on the Issue broke up in failure over the weekend, eight premiers issued stern warnings to the Prime Minister to move slowly and cautiously as he and his Liberal Government decide this week what

Several of the premiers, led by Mr. Allan Blakeney of Sas-Katchewan, said that enough progress had been made for the Federal Government to reconfrom public life,
vene the talks after a short Mr. Trudeau will meet his vene the talks after a short

of Ontario and Richard Hatfield Canada's 13th failure since 1927 of New Brunswick said they to arrive at a formula for conwould go along with Mr. stitutional Trudeau if he decides on uniamendment.

Mr. Rene Levesque of Quebec arliament in 1887.

As last week's constitutional warned that the Prime Minister onference on the Issue broke would be acting "at his peril" because western Canadians will

"react very aggressively." Premier William Bennett of British Columbia added that he and the other premiers had advised Mr. Trudeau that the longterm interests of Canada is more important than the Prime Minister's short-term political timetable to reform the constitution quickly and then retire

Cabinet in caucus this week Only Premiers William Davis to decide what to do next after patriation

Hotel boom in New York

MADEIN

PRATO

NEW YORK, still struggling year, including the Milford huge financial problems, grow-ing crime and unsalubrious International and the Grand housing in its poorer neighbourhoods, is currently undergoing a major hotel boom.

and built at an unprecedented refurbishe pace. As many as six new tower glories in anticipation of the block hotels are scheduled to be opened this year, including two businessmen coming to New this month.

A new \$100m (£41m) 51. The boom has in part fuelled storey hotel opened yesterday by the dramatic rise in convention of the profile of the pr on Madison Avenue, just tion visitors to New York, which behind St. Patrick's cathedral has once again become a major The new hotel, the Helmsley convention centre. Last year palace—part of the Helmsley there were about 43m convenhotel chain-offers accommodation in 947 rooms at prices rang-ing from \$140 to \$170 a double

other hotels are completed this

murhoods, is currently under-bing a major hotel boom.

Hotels are being renovated the Westbury, have also been growing number of tourists and

tion visitors, compared with 2.7m in 1973.

room for one night.... At the same time, the city has experienced something of a nearly 5,000 new rooms will become available when five overseas and from within the

Peru seeks meetings to reschedule foreign debt

By Doreen Gillespie in Lima PERU is to call for a series

of meetings of the Paris Club of the Western nations and Japan next year to refinance

According to Government officials, Peru will also try at the meetings to obtain new long-term loans from international banking organisa-tions to finance the country's development programmes.

Two meetings are likely. The first would be with the World Bank, international credit agencies and Governments having bilateral agreements with Peru. The second one being planned would be with commercial banks.

The scale on which Peru is seeking to refinance is not immediately clear. Two years ago the previous military Government rescheduled \$248m (£103m) of the country's external debt which then stood at \$8bn, although it prepaid \$602m (£251m) this year from the remains of the 1979-80 refinancing

package. According to the latest projections Peru's debt ser-vice ratio for 1980 will be 33.4 per cent, and 33.9 per cent in 1981.

President Belaunde's Accion Popular Government has been stressing since it took office in July that it intends seek soft-term foreign finance instead of commercial

These are to be used for development projects in electricity, agriculture, mining, roadworks, health and housing. The World Bank is seen the main source from which the Government is hoping to borrow up to \$1.2bn

over the next five years.

The Bank has already had technical teams in Peru and this week has opened an office in Lima.

Mexican trade deficit rises

By William Chislett in Mexico City

MEXICO'S trade deficit for the first seven months of the year has risen 6 per cent over the corresponding 1979 period to 37.6bn pesos (£670m), despite a large increase in the value of the country's oil and natural gas exports.

According to preliminary statistics issued by the planning Ministry, oil and gas exports were worth £2.15bn, 199 per cent more than in January-July 1979, out of total exports valued at £3.44bn. Exports of manu-factured goods rose by only 6

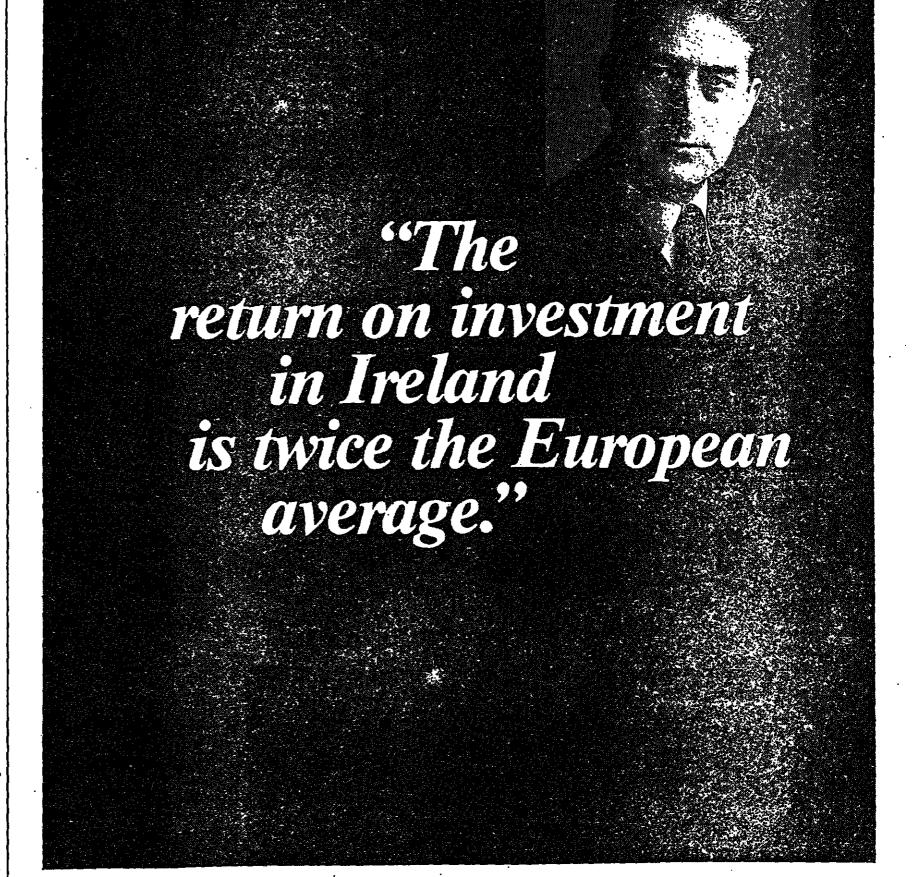
per cent. But this steep rise, which reflected Mexico's rapidly growing oil wealth, was offset by imports worth £4.1bn., 60 per cent more than in the first seven months of 1979.

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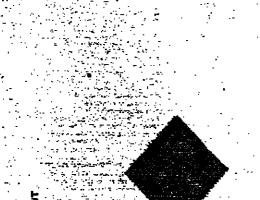
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US Department of Commerce Statistics for the period '74-78 show a 29.9% average annual return on investment for US

IDA Ireland also has offices in Dublin, Amslardam, Paris, Cologné, Stuttgart, Milan, Copenhagen, Madrid, New York, Chicago, Santa Monica CA, Houston, Cleveland, Menio Park CA, Boston, Sydney and Tokyo,



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The textile manufacturers of Prato are presenting their Autumn-Winter 1981 collections at the PRATOEXPO '80 trade fair which will be held in Florence - Fortezza da Basso from Oct. 1st to 4th 1980. The show is organized by the PROMOTRADE Association. Via Pugliest, 22 -50047 Prato - Italy - Tel. 0574/20026 - Tix 572411 Uniora I

Battle is joined for Asia's readers

THIS WEEK the U.S.-owned, Tribune moves into competi-Paris-based International Herald tion with Dow Jones gentle-Tribune started facsimile manly mutual esteem is giving printing via satellite in Hong way to sniping and aggravation. Kong. The event marks a new phase in the growing battle for readers and advertising revenue in Asia and the Pacific, regions which have the world's highest economic growth rates and largest English-reading audiences outside Britain and North America.

combination of satellites, multi-many U.S. newspapers. As a ple circuits and OPEC oil result of the Dow Jones move, price increases are altering the the Herald Tribune is having to face of international publishing. remake its business pages for The Herald Tribune already has facsimile plants in London and Zurich. But this 10,000mile leap to Hong Kong will land it in direct competition the four-year-old Hong Kong-based Asian Wall Street Journal, half brother of the U.S. Wall Street Journal. The Asian Wall Street Journal was

region-wide daily paper. Meanwhile, periodicals as diverse as Business Week, the Economist, Newsweek and the Institutional Investor are starting or stepping up interest in

the first attempt to create a

the region.
The Herald Tribune is not just a publisher of a small but influential interantional news-paper. It is owned by three media giants—Whitney Communications, the New York Times and the Washington Post. At present the Wall Street Journal is the only national paper in the U.S., a leader in facsimile technology, it now prints in 14 locations and plans But as the Herald

The Herald Tribune has been bluntly told that AP-Dow Jones Economic News Service stories could not appear in Asia, as the Journal had a monopoly of AP-DJ in Asia. Sparks flew because the agency is half-owned by Associated Press, a Thhe event also shows how a non-profit co-operative owned by remake its business pages for Asia. The Herald Tribune's New York stock prices come direct from the New York stock exchange computer and not via AP-Dow Jones.

> But the Journal is running to stay ahead. It has advanced its printing schedule by three hours to be on the streets of Hong Kong and on flights to other Asian cities at the same time as the Herald Tribune. The Tribune and The Journal

are very different products but will be competing for both corporate advertising and top-of-the-market readers. The Journal started life as little more than a slimmed down version of the New York paper. But the owners were prepared to pump in more money, and change the formula. Asian reporting staff was tripled and respondents. Circulation, which at one time was under 10,000 is now 21.500

In its first year the Asian



Wall Street Journal claims that the same target audience as the it held its losses to about \$1m. Asian Wall Street Journal, but Despite increased editorial spending, losses are said to have dropped sharply. According to Mr. John Orr; the Asian Wall Street Journal publisher, reporting staff was tripled and it now gives priority to Asian news written by its own corners with the state of the state the black and expect to reach there in our fifth year of pub-

become an Asian paper. It will slightly increase its Asian \$190. coverage and reduce the European perspective. Its aim is to become more than ever international in circulation and content. Initially the Asian print run will carry the same adver-tisements as Europe, but an Asian advertising edition is

next year. At present Herald. Tribune rates, at \$135 per it has no intention of trying to thousand circulation per page, are lower than the Journal's

Critics suggest that the Herald Tribune may be trying to foist a Asian market. It is gambling that there is an Asian market for an international paper— The Herald Tribune has much expected to start from January will invest \$2m over two years, Asia the Herald Tribune faces ing the Financial Times, the costly equipment

mostly on promotion. Printing will be on the machines of Sally Aw Sian, a local Hong Kong Press baroness. The main fixed cost is \$250,000 for satellite receiving equipments. Satellite costs themselves will be only \$20,000 a month thanks to the Hong Kong and French communications authorities which for the first time were willing to offer a non-tied, high speed circuit. Printing the Herald will take only four hours a day.
As a result, the Herald
Tribune claims it can break even on circulation alone of 20,000, and perhaps even 16,000. Some media men are sceptical. They claim that the Herald Tribnne has not fully appreciated the many problems -some of them political-and the heavy hidden costs of circulating a newspaper around

The Herald Tribune already claims substantial advance bulk sales. But reaching 20,000 circulation will not be easy. The cover price, equivalent to \$0.40 in Hong Kong and \$0.45 in Singapore is in line with Europe, but it is more than the Asian Wall Street Journal and a lot more than local Asian papers. It will need quality Asian readers as well as expatriate sales if it is to attract the right advertising. Also, there is plenty of daily news. paper competition.
Until the Financial Times

mid-Atlantic product onto an started printing in Frankfurt, the Herald Tribune faced relatively little English language competition in continental Europe, where its daily sale though it is not a big gamble. Europe, where its daily sale

The Herald Tribune says it averages about 76,000. But in

CIRCULATIONS IN THE ASIAN PACIFIC REGION OF Time 220,000 (plus 710,000 in: Asian Wall Street Journal Australasia) (total) 21,500

Business Week 15,700 Newsweek 205,000 (plus 56,000 in International Herald Tribune 2,000 (target with Asian printing, 20,000) (total) 50,100 Asiaweek (total) 24,100

COMPARATIVE 1979 ADVERTISING REVENUE HIGURES FOR SOBE NON-ASIAN BUSINESS AND REGIONAL PUBLICATIONS/EDITIONS:

Business Week (international Europe) \$3.8m International Herald Tribune (total) \$12.6m The Economist (total) \$17.7m

Institutional Investor (total) \$2.6m Middle East \$1.8m Middle East Economic Digest \$1.8m Source: Rome Report is af ir

lorell C

Ameri

ADVERTISING REVENUE FOR FOUR WEEKLES IN ASIA

(\$m) FIRST HALF 1979 9.3 8.1 6.2 5.6 -- 2.6 2.3 14.9 Feereview . 1.1 Asiaweek (Asia and Pacific editions excluding Australasia)
Source: Ro

competition not only from New York Times, Business, the Asian Wall Street Journal. Week and the Economist. But It faces the premier newspapers, recently they were all barred It faces the premier newspapers: recently they were an darred in Singapore. Malaysia, Hong from regular outside work. Kong and the Philippines—all The Economist now has an of which print in English That, advertising office in Hong Kong, land and Japan have respectable. There have been suggestions English dailies. All extensively that both it and Business Week.

use international wire services might print in the region to and quality syndicated articles save airfreight costs which have from U.S. and U.K. papers, gone up by 50 per cent in the including the NY. Times and Washington Post, which form the backbone of the Herald printing in Asia is old hat Button Tribune's own contents. the circulation war between.

Tribune's own contents:

the circulation war between
The struggle for circulation them has escalated. Time and advertising revenue and the shortage of good editorial copy have heightend competitive awareness. The largest correspondent network in Asia is that of the weekly Far Eastern Eco- forced Newsweek-which comes nomic Review, which is 49 per from the same stable as the cent owned by Dow Jones. Its Washington Post and thus has staff have traditionally also an indirect link with the Herald written for other papers includ-

'New conditions' for Iran hostages

lication."

BY NASSIR SHIRKHANI

TEHERAN — The speaker of against Iran and promised not the Iranian Parliament said yes-terday the assembly would "definitely" add to the condi-tions set by revolutionary leader parliament's conditions would Ayatollah Ruhollan Khomeini for the release of the American

Hashhemi Hojatoleslam Rafsanjani said the parliament, which is expected to start debate on the fate of the 52 hostages this week, would insist on an apology from the U.S. for its former involvement in Iran. In a statement last Friday, the Ayatollah made no mention of an apology and said the hostages could be freed if the U.S. returned the late Shah's

IRAQI vice president Izzat Ibrahim said yesterday his country had recaptured two disputed pieces of territory from Iran and would retake remaining land which it claimed within a week, Reuters reports from Rome.

the speaker said: "No, definitely, there are more conditions."
"The Imam has not mentioned all the conditions and he has delegated the issue to the

Ivanian assets, dropped claims Majlis (parliament)," he said.

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be the same as the Ayatollah's

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What cannot be ignored is be started. that America must condemn its a condition . . . which the Majlis will insist on."

Ayatollah Khomeini entrusted the task of setting terms for by the Majlis," he said. the release of the hostages, held by radical Moslem students since last November 4, to the Majlis in February, a fact he recalled in his message last

Speaker Rafsanjani said today's Majlis session would "decide the manner of disfollowing the weekend's recom- Reuter

Hojatoleslam Rafsanjani, a mendation by the House leader of the hardline Islamic Foreign Affairs Commission Republicn Party (IRP), said: that some form of debate should

"We will decide whether the previous policy in Iran. This is Majlis will, itself, discuss the issue or a special commission will do it. What form the procedure will take will be decided

The speaker said the hostages were now the main issue on the assembly's agenda.

In another development Iran plans to spend U.S.\$5bn over the next four years to build power stations with a total capacity of 5.000 megawatts (MW), Mr. Hassan Abbaspour, cussions" about the hostages, Iranian Minister of Power, said.

Peking softens Kampuchea stance

By Tony Walker in Peking

CHINA APPEARS to have softened its position negotiating a settlement in Kampuchea.

Zhao Ziyang China's new Premier, told Mr. Robert Muldoon, Prime Minister of New Zealand vesterday that withdrawal of Vietnamese troops from Kampuchea was not necessarily a precondition for the start of negotiations.

Previously, China has made it clear it was not prepared to negotiate while Vietnamese remained soldiers Kampuchea.

Mr Muldoon said in Peking that Zhao had said troop withdrawal would an "important element" of any negotiated settlement, but talks could begin while Vietnamese troops remained in Kampu-

Diplomats in Peking consider this a major shift by the Chinese, and significant because the softening of China's position was outlined by the new Premier in one of his first foreign policy state-ments since his recent appointment.

Mr. Muldoon said the Chinese concession had come up. during discussions.

As recently as the middle of June, China ruled out the possibility of resuming talks with Vietnam over its border dispute. One of the points at issue in these negotiations is Vietnam's continued presence

in Kampuchea.
The New Zealand Prime Minister said Zhao had also made clear that China was prepared to join with the Association of South-East Asian Nations and with Vietnam in guaranteeing the territorial integrity of a Cambodian state if a negotiated settlement achieved.

A settlement could take place. Mr. Muldoon said, after a withdrawal of Vietnamese troops and "some kind of elec-

Mr. Muldoon was pessimistic about the possibility of this happening quickly.

Malaysian Cabinet reshuffled

BY WONG SULONG IN KUALA LUMPUR DATUK HUSSEIN ONN, Malaysia's Prime Minister, yesterday took personal charge of defence in a Cabinet reshuffle that reflected his growing concern over the instability of South-East Asia.

Observers say the Malaysian leader wants to crack down on corruption in the armed forces, at present undergoing massive expansion to meet the prospect of external Communist threat The Malaysian leader's concern over regional instability was emphasised at the recent

of Government meeting in Delhi, where he made an impassioned speech linking Soviet and Vietnamese occupation of Afghanistan and Kampuchea as Afghanistan and nampus a common threat to the region. The 1981 Budget, to announced next month, will be giving defence and internal

Commonwealth regional heads

probably amounting to 21-24 per cent of the Budget. In the reshuffle, three Ministers and three Deputy Ministers



Datuk Hussein Onn

Hamzah Abu Samah, the Law Minister. The Law Ministry has been abolished.

Two Deputy Ministers were portfolios.

made full Ministers. They are Mokhtar Hashim, who takes over as Minister of Culture, Youth and Sports, and Rafidah Aziz, who gets the Public Enter-prises portfolio.

Miss Aziz, 36, an economist by

training, holds the record for being the youngest-and second woman Minister in

The reshuffle reflected the moderation that is the hallmark of Datuk Hussein's four-and-a-

half-year rule. Haji Suhaimi, leader of the youth division of the ruling United Malays National Organisation was appointed Deputy Agriculture Minister—a move intended to steer the party's youth wing away from its tradi-tional role as a vocal pressure

Key Ministers-Dr. Mahathir, were dropped, including Datuk the Deputy Prime Minister. Hussein's brother - in - law, Ghazali Shafie, Home Minister, Tengku Razaleigh, Finance Minister, and Musa Hitam

Rescue plan for Indonesian bank

BY RICHARD COWPER IN JAKARTA

Indonesia, a private Indonesian bank which defaulted on debts estimated at around \$30m in 1978, may receive a new lease of life this week if plans by an Indonesian entrepreneur to take a 50 per cent share in the bank go through.

BANK DAGANG National plunged into default on around \$30m in debts owed to a number of European, Asian and U.S. banks following the collapse of an international fund-taising scheme in the middle of 1978. nesia's central bank suspended Bank Dagang's foreign exchange

If the salvage operation licence preventing it from comes off, it could mark the engaging in further interend of what has turned into national transactions. Indonesia's biggest banking Now howe scandal in years. Bank Dagang Government bank Société

Sjamsul Nursalim, the Indonesian entrepreneur, \$15m to buy about 50 per cent of the bank's shares and obtain a mortgage on all or most of the Following the disclosure of rest. the defaults last year, Indo Ba Bank Dagang then plans to

use the money to provide partial repayment to the bank's international creditors. If everything goes according to plan, the takeover and the Now however, the French repayment should be signed this

Générale has agreed to lend

Sri Lanka Finance Minister to see IMF

Finance Ministers' meeting in Bermuda, and then goes to Washington for crucial negotia-tions with the International Monetary Fund.

The Minister, who will be accompanied by four senior offi-cials, hopes to get IMF agreement to draw SDR 60m (about

SRI LANKA'S Finance Minister, £30m), the balance of this year's All Ministers have been told from the Commonwealth All Ministers have been told from the Commonwealth While the Government is con-

presented on November 5.

fident that similar support will gramme cannot be exceeded, also be extended next year, no despite escalating costs. During formal announcement is ex the recent strike, however, the pected until after the Budget Government promised an allround pay rise.

Caught between political In search of new sources of pressures and a mounting trade aid and investment, Mr. de Mei deficit, the Finance Minister has will meet OPEC Finance Miniresorted to a "judicious prun-ing" of all Ministry estimates. going to Brazil.

Zimbabwe hit by wave of grenade attacks

BY OUR SALISBURY CORRESPONDENT

and shooting erupted in the ZANU-PF office there was Zimbabwe at the weekend—the peppered with automatic worst outbreak of violence since weapon fire on Saturday night. the country achieved indepen- but there were no injuries.

people had been injured in five policies of national reconciliagrenade blasts in the townships tion following the seven-year of Seke and Harare. Six homes war. Rivalries between his belonging to members of followers and those of Mr. belonging to members of Joshua Nkomo's Patriotic Front Joshua Nkomo's Patriotic Front Nkomo have existed since (PF) party were burned to the the split in Zimbahwean ground and factional clashes politics when ZANU, as ZANUground and factional clashes erupted in the farming centre of Sinoia, 70 miles north-west

generated by the forthcoming local government elections and plans to move 17,000 of Mr. Robert Mugabe's ZANLA guerrillas into townships around Robert Salisbury.

lies roughly on the dividing line emergency staff of black nurses between areas controlled by if the boycott came off.

A WAVE of grenade attacks ZANU-PF and PF. Police said

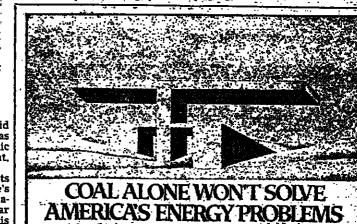
dence five months ago.

The wave of violence presents
Police said yesterday that 10 a challenge 10 Mr. Mugabe's PF was then called, broke away from Mr. Nkomo's leadership. White nurses in Salisbury's Andrew Fleming Hospital called

of Salisbury.

White nurses in Salisbury's
In the past five days, 46 Andrew Fleming Hospital called
people have been injured and off a threatened walk-out yesterone killed in political violence day, apparently making peace generated by the forthcoming with the country's Health country's Health Dr. Herbert Minister. Ushewokunze. The nurses had threatened to

walk out after Dr. Usbewokunze visited the hospital and criti-The violence in Sinoia was cised the nurses.
the first indication that the Yesterday, Dr. Ushewokunze latest unrest had spread beyond said he had cancelled plans to Salisbury's townships. Sinoia replace the whites with an



AMERICA'S ENERGY PROBLEMS

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Customs to increase staff in bid to counter textile frauds

and illegal importing of textiles. Mr. Parkinson was in Man-

The exact increase is not chester to introduce the Depart-being disclosed and it is ment of Trade booklet which believed most of those affected gives details of Britain's tex-will be transferred from other tile trading situation and duties. But Mr. Cecil Parkin—explaining the system of coning the move yesterday in booklet argues that all developed Manchester, said it was hoped countries are having to come the changes would make the to terms with low-come bureau a much move the changes with low-come to the changes would make the to terms with low-come bureau a much move the changes with low-come to terms with low-come bureau a much move the changes with low-come to terms with low-come bureau a much move the changes with low-come to terms with low-come to terms.

The move is the Government's response to persistent complaints from the textile industry of goods being shipped to Britain in excess of quota by a variety of alleged backdoor routes. Goods have in some cases been trans-shipped from Hong Kong to other Far Eastern countries and relabelled with a new country of origin. A number of prosecutions relating to this have been was a shameful attempt to brought by the Hong Kong whitewash a patently serious authorities. The UK industry situation.

THE CUSTOMS Investigation also maintains that men's suits, Bureau is taking on extra staff made in Romania, are being and stepping up its activities in shipped to the UK with Italian a bid to counter fraudulent labels of origin.

There would, he claimed, be a significant increase in prosecutions which could be. He admitted, however, that brought as a result of the more active role. "We are serving notice on people carrying out frauds that they had better watch out," he said.

The move is the Carry in the more than the move is the carry in the carry 30,000 jobs were lost in 1979 and a further 35,000 so far this year. Further large job losses were expected.

Mr. Gerald French, the direc-tor of the British Clothing Industries Association criticised the Government for complac-ency and said it would be difficult for it to convince the industry of its intention to press for a tough successor to the MFA. The brochure, he said,

New credit scheme for exporters

By Eric Short

NEW scheme desgned to aid UK exporters has been launched by the Credit and Guarantee Insurance Company. It is simply a guarantee from CGI that would enable the customer to claim compensation from the insurance company in the event of a breach of contract by the ex-

he concept of this CGI Guarantee is that the exporter volunteers the guarantee to the customer at the negotiation stage of the potential contract. It effectively counters any suggestion that UK exporters may not honour their contractual obligations and

The amount of the guarantee is subject to agreement between the exporter and CGI, but it needs to be sufficient so as to be meaningful to the customer. Some contracts will need a guarantee equal to the contract value, but with most transactions a 25 per cent value should be

The premiums are based on the financial and commercial status of the exporter, together with the length of time of the liability, falling in the range of j per cent to 3 per cent of the guarantee. | multitude of large and small Suntory, which occupies a mas-

British whisky exports to Japan

Scotch set to take a nose dive

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

years Britain's most successful export to Japan, may be about to take a nose dive judging by prices. From autumn onwards recent figures for sales of the process went into reverse imported whiskies in the with the result that a standard Japanese wholesale market. Scotch which cost Y3,200

The figures, released earlier this week, show that sales of imported whisky were down 28 per cent in volume terms dur-ing the first six months of the year. Sales of "special whisky" produced by Japanese distillers, meanwhile, grew by 19 per cent.
The figures are closely com-

parable since Scotch whisky (which accounts for 94 per cent of Japanese whisky imports) is classified as "special grade whisky" under the Japanese grading system. What they seem to indicate is that the Japanese whisky distillers, led by Suntory, are at last begin-ning to get some results from their campaign to deprive Scotch of the privileged position it has long held in the Japanese liquor market.

The reasons why sales began does not necessarily make them simple. The principle blame would seem to rest with the appreciation of sterling which has been making Scotch much dearer.

For at least five years up to the autumn of 1979, the

SCOTCH WHISKY, for several import houses which handle sive 72 per cent of the Japanese scotch in the Japanese market had been steadily cutting their shifting the main focus of its prices. From autumn onwards Scotch which cost Y3,200 (£6.10) per bottle in October last year now cost Y3,800

> increases can regarded as the immediate

whisky market, is thought to be marketing strategy from Sunwhiskey which sells for about Y800 (£1.52) per bottle less than standard Scotch,

Suntory Reserve, at the moment, sells a comparatively modest 2.2m to 2.3m cases per year compared with last year's

Japanese whisky distillers are starting to see the results of their campaign to deprive Scotch of the privileged position it has long held in the Japanese liquor market. With figures showing that sales of imported whisky were down 28 per cent in the first six months of the year, it appears Britain's most successful export to Japan is about to plunge. While price increases seem to be the immediate cause of Scotch importers' problems, declining demand for bottles of Scotch as gifts and direct competition from local distillers may set the seal on their fate

cause of Scotch importers' headaches. In the background there would seem to be two other big problems. One is that standard scotch whiskies have to fall early this year are not steadily losing their popularity hard to discover, though that as presents to be given away in the two big Japanese gift seasons.

Japanese whisky distillers are beginning to compete head on with Scotch instead of concentrating their aim on a slightly lower segment of the market.

Scotch sales of some 3.5m cases. Suntory, however, is rumoured to have been given itself three years to boost sales of Reserve to the same level as Scotch, and the indications are that it may hit this target.

Suntory's special grade whiskies, which are required by The second problem is that Japanese law to contain a apanese whisky distillers are minimum 30 per cent of malt, depend heavily for their quality and appeal on the bulk imports of Scotch. Last year Britain's factor out of the way it is hard exports of bottled and bulk to be optimistic about the short-Scotch to Japan were approxi- term future of Scotch imports.

mately equal in volume terms It is because of this heavy reliance that proposals are afoor to ban exports of bulk malt to Japan, but such a move, as seen from a Japanese vantage point would be unlikely to stop Suntory in its tracks.

Apart from producing its own malt in Japan Suntory could be expected to move directly into the Scotch whisky industry by acquiring existing distillers as a guaranteed source of bulk whisky. Whether such a move would be blocked by the Scotch distillers themselves is another question.

Bottled Scotch whisky currently accounts for about 17 per cent by volume of the special grade whisky sold in Japan and for about 7 per cent of the entire whisky market.

In the first six months of 1980 Scotch exports to Japan

Scotch exports to Japan (bottled and bulk) were worth £37.4m out of total British exports to Japan of £304m. This was an increase of 30 per cent on the level of a year earlier. to Japan rose by only 0.9 per cent during the same period. Part of the sharp rise in exports early this year was caused by the desire of importers to anticipate a liquor tax increase which came into force in April. With that special

resume TOKYO-The U.S. resumes talks today on an aviation agreement with Japan amid counter-charges of discrimina-

Tokyo air

talks

Mr. Boyd Hight, a deputy assistant Secretary of State, who successfully negotiated an agreement on civil aviation last week between the U.S. and China, leads a nine-member delegation to what are described as "informal"

The negotiations, called at Washington's request, will seek to break a 2-year stalemate in efforts to correct imbalances in the U.S. Japan aviation agreement first signed in 1952.

Japan claims that its national carrier, Japan Air Lines, has been given too few routes to U.S. cities and that the restrictions on en route flights to other nations are discriminatory.

The U.S., in turn, wants Japan to increase access for U.S. airlines to Tokyo's new Narita airport and other Japanese landing points. Washington also claims the Japanese Government has kept trans-Pacific fares artifi-cially high by blocking the expansion of charter flights to

Howell on S. America mission

MR. DAVID HOWELL, the Sec-retary of State for Energy, leaves for Mexico and Venezuela today baving set himself a multiplicity of diplomatic and trade tasks to carry out in the next nine

He will be trying to sell the technological expertise Britain has built up in the North Sea to the two leading Latin American oil producers, expertise he claims has not yet been marketed vigorously

enough.

Before his departure he pledged that if either the Mexican or Venezuelan State oil concerns expressed interest in closer association with the British National Oil Corporation the latter would not be prevented from spreading its wings abroad. But this would be subject to the Government's usual financial constraints, he

a consumer than a producer of oil and so devoutly hopes that something can be done to prevent any repetition of the price rise horrors of 1979. As more of a consumer than a producer, Britain is interested in seeing more oil coming on the world market. But while making this point, the Minister will try not to give the impression that Britain wants Mexico to pump more oil out of its continuously growing reserves or is chivvying Venezuela to get down

Japan and Mexico in steel deals

By William Chislett in Mexico City

MEXICO and Japan have reached agreement on constructing two steel mill joint ventures worth together 10.2bn pesos (£185m). Japan hopes that this will pave the way for a 200,000 b/d increase in its oil supply from Mexico to a total of 300,000

Discussions on the steel mills. which will be sited at Lazaro Cardenas on Mexico's Pacific coast, where a major Mexican state steel complex is already located, were finalised last month, but no official statement has yet been made.

The agreement was made at Government-to-Government level, although the Japanese participation is from the private sector, because Japan's export-Import Bank and the OECF, the country's agency for overseas development will both be financially involved.

In both countries he will be The Eximbank will provide carrying the message that financing for an unspecified Britain regards itself more as amount and the OECF will have some direct capital participa-

> Sumitomo and Kobe Steel will form Joint ventures with Nacional Financiera, the Mexican Government's development bank, and with Sidermex, the Mexican holding company for the state steel sector, for a pipe mill and a forging and casting mill.

> In both cases Mexico will hold 51 per cent of the capital and the Japanese concerns 49 per

quickly to the massive exploitation of its Orinoco tarbelt, one of the world's biggest and most difficult remaining oil reservoirs.

On his way back to London he will stop in Washington for talks with Mr. Charles Duncan his U.S. opposite number, where he will emphasise that the Western industrialised nations cannot wait to see the

the Western industrialised programme. nations cannot wait to see the U.S. appetite for imported energy moderate. The Kobe mill investment is 6.5bn pesos and it will produce 64,000 tonnes a year. energy moderate. France in drive to

boost China trade BY ROBERT MAUTHNER IN PARIS

JEAN-FRANCOIS Deniau, trical power-station, belicopters study ways of stepping up trade between France and China, in preparation for French Presi-

China October 15-18.

In spite of the efforts that have been made by the French to exploit the Chinese market, the results have been disappointing. Trade between disappointing. Trade between disappointing. Trade between disappointing that totalled no annual capacity of 10,000 more than FFr 28bn (£66m) vehicles and 15,000 engines, is last year, giving France a small also under discussion.

During the first six months of 1980, when total Franco-Chinese trade amounted to some \$330m, the French surplus was converted into a deficit of \$110m. Currently, France is only China's sixth most important trading partner, behind the become the top-selling car in U.S., Hong Kong, Japan, West Denmark for the month of Germany and Britain, and only Angust. Although only 538 two major contracts are at mits were sold this reprepresent under negotiation—the sented 12 per cent of all sales, construction by French command was achieved by a panies of a hydro-electric power DK, 5,000 (£380) price cut. For station and the confirment by the first saven months. Lada.

However over the past 12 total sales, months, industrial contracts. However, it was the Italiantotalling some FFrs 2bn were built Flat 127 which remained concluded by French companies, the best selling car so far this the most important of which year, with an 18 per cent were for the supply of an elec- market share,

the French Trade Minister, and electronic equipment arrived in Peking yesterday to —In addition the signature by the two French oil companies Elf-Aquitaine and CFP (Total) of exploration contracts in the dent. Giscard d'Estaing's visit to China Sea could well lead to

Lada at top of Danish market

PRICE CUTTING has helped the Soviet-built Lada car station and the equipment by the first seven months, Lada, France of a non-ferrous metals the Rossian-version of the Fiat. sold 3,193 cars, or 6 per cent of

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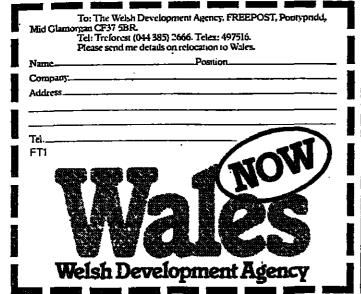
Where will you find skilled and adaptable labour readily available?

Where will you find the new factory that's just right for you for size and location?

Where is a major American manufacturer of silicones investing £135 million to extend its plant?

Where can you relocate and still keep well in touch with your markets?

Where is Sony enlarging its factory to increase export of televisions?



UK NEWS

Thoughts from abroad—on another dwindling export market

BY NICHOLAS COLCHESTER

OVERSEAS sales are no longer a joy-ride for Mr. Peter Wilkinson, owier-director of Wilkinson Photographic Pro-ducts and the embodiment of British inventor-entrepreneur.

His modest stand at Photokina, the huge photographic fair in Cologne, is dominated by his latest brainchild, an automated version of the ingenious Wilkinson colour processor. But last Friday a crowd of interested inquirers was sadly lacking.

It was not always so. Four years ago, when the pound sterling was still on its back and monetarism was a medicine prescribed in small doses by the IMF, Mr. Wilkin-son was fending off orders he could not fill.

German photographers peered incredulously at dark room equipment half the price of that offered by the com-petition. Foreign purchasers even stuffed dollar bills into Wilkinson's breast pocket to win themselves a delivery

At that time Mr. Wilkinson seemed to personify un-realised British export poten-

tial. A former president of the Royal Photographic Society, he offered photo-graphers a simple but effective film processor produced in cottage industry fashion by a workforce of 25 people. He chose not to expand production because he had a small and happy team, a pleasant house and a sailing

Today, Mr. Wilkinson has a sad and familiar tale to tell. "Inflation in the UK and the strong pound have pushed my D-Mark prices up by about 40 per cent in one year. That's done an awful lot to erode the differential between me and my competi-1013."

He still admits to a small price advantage but maintains that: "Where we would normally sell 60-70 per cent

of our production abroad, today we only sell 10 per-cent."

Bur where an expansionist Mr. Wilkinson in 1976 would have been squeezing productivity anxionsly out of his workforce, in 1960 the real Mr. Wilkinson is not.

He has merely substituted British orders for his export sales, and is keeping fewer.

British customers waiting he British customers waiting. He confirms disarmingly that he

of British inflation and the strength of the pound, Mr. Wilkinson still gets satisfaction from his export efforts. His small company in Chessington recently supplied

a tailor-made processor to develop pictures from the Earth Besources satellite project in the U.S. It also received a Diploma of Excellence from the Soviet Union—an improbable testi-mony which Mr. Wilkinson decided not to hang up in his stand at the Photokina.

Plans to cut air fares to Malaysia

FARES between London and Kuala Lumpur will be cut next month, if the UK and Malaysian Governments approve plans by British Airways and Malaysian Airlines System.

The airlines are proposing a three-level Advanced Purchase Excursion fare from October 1 with cuts of up to £60 for a return ticket during the offpeak period.

The proposed fares are: October 1 to November 30, £244 single and £429 return: December 1 to January 31, £259 single, £459 return; and February I-June 15, next year, £235 single, £399 return.

• Further details of the cheap return fares between the UK and West Germany planned by Lufthansa and British Airways show that the "Fly 'n Save" return rate between London and Bremen will be £76 (against the normal economy return of £144).

Other rates (normal economy in brackets) include: Cologne/ Dusseldorf £63 (£120); Frankfurt £79 (£150), with a Man-chester fare of £101.50 (£193): Hamburg/Hanover £84.50 (£160); Munich £100.50 (£191): Nuremberg £89 (£169); and Stuttgart £86 (£163).

The fare become effective on November 1. Passengers must stay for at least six nights with maximum of one month.

 British Caledonian Airways is spending up to £100,000 on a nationwide publicity campaign to promote its range of cheap international fares to destinations.

trom Uctober 31 because of falling traffic. Personnel cuts will be kept to a minimum.

• Logainair, the Scottish air-

service will continue as normal. Loganair charter operations will continue to expand, and the air ambulance service is not

gress meeting planned by the Department of Energy under the chairmanship Norman Lamont. Minister

The four are Mr. Fred Bonner, deputy chairman of the Central Electricity Generating Board, who is chairman, Dr. Ian Preston, director of the CEGB's annual report, said the British Barnwood engineering centre, nuclear Dr. Ned Franklin, chairman of the Nuclear Power Company, modest one, was making better and Dr. Walter Marshall, deputy chairman of the UK Atomic

Energy Authority. the public inquiry into the siting of Britain's first 1,150 mW PWR to take place in 1982.

week, consists of four top ment's nuclear inspectors by executives who plan to meet mid-summer 1982, and almost just ahead of the periodic simultaneously for the Governpressurised water reactor pro- ment to announce a public inquiry into the CEGB's applicargy under tion for planning permission to of Mr. build it at Sizewell in Essex. In this way it is hoped that

> for construction to start early in 1983 if approval is given. Sir John, presenting the

Atomic Energy Authority's nuclear power programme, although by some standards a progress than many Western At the Venice Economic

the Atomic Fnergy Authority, leaders had committed them-said yesterday that he expected selves once again to reducing dependence upon oil.

The UK now produces half

Of the loan, DM 100m (£22m)

will be used to exploit new reserves and to extend the

surface plant at Longannet, a

series of mines which serve a

The work will extend the

the Community's coal.

The Nuclear Industry Group. The national plan is to win brought on, like the present which held its first meeting last the approval of the Govern- one, by huge increases in oil It was a "great pity that opposition by determined groups of people in many

countries exploiting ignorance and fear " had slowed down the introduction and development of nuclear power. The Atomic Energy Authority

plans to shut down its prototype advanced gas-cooled reactor at Windscale early next year. If has operated for 18 years with an availability of 82 per cent. generating 3,500m units of elec-

The authority plans major safety experiments on the 33 MW reactor before it is finally shut. It wants to demon-Sir John Hill, chairman of Summit this summer Western safely under conditions substantially more onerous than it would be expected to reach in

"This is essential if we are UK AEA Annual Report to avoid further world recession 1979-80, pp 76, HMSO. £2.

£2.5m a year at present prices.

The interest rate on the loan

is 8% per cent, with an interest

relief grant of £1m to cover part

of the money for the five-year

But under an agreement with

Britain, by which the Treasury

۵f

construction at

period

cost of production by £1 per of 1 per cent below the National

tonne, meaning a saving of Loan Fund Rate.

California sun; the charm of Southern

hospitality; the dynamic energy of

the great cities of the Northeast.

Whatever brings you to our shores.

stay at the best addresses coast to

Longannet.

Brickworks plan referred to inquiry

still employs 25 people

Despite the twin handicaps

£15m development by the London Brick Company to build a brickworks at Whittlesey, Cambs, is to be referred to a

public inquiry. Fenland District Council refused to handle the planning applications because of the controversy . recent ... chemical pollution from brickyard chimneys in Bedfordshire. The project was designed to create more than 100 jobs at Whittlesey, seven miles from

Peterborough.
However, Mr. Roy Sidwell, the council's chief planning official, said yesterday: "In spite of advantages, in employment and environmental terms to be gained by approving the present application, the atmospheric pollution is a problem of international significance and should therefore be determined at national level.

We are therefore asking Cambridgeshire county council to ask the Secretary of State to call in the application, or, 181-ing that, to impose stringent conditions with a view to pre-cipitating a public inquiry."

The decision is a further blow to the London Brick Company, which produces 40 per cent of Britain's bricks Britain's bricks.

A similar application for a £60m development in Bedfordshire was granted by the county council, but with stringent conditions over installation of filtration equipment to remove all polluting chemicals from chim-ney emissions. The company says it can only

remove up to 90 per cent of the The developments are closely by Scandinavian monitored

Twice the power in redesigned **batteries**

alkaline batteries to give twice as much power for the same weight as existing designs is going into mass production by Inco, the nickel group. Scientists at Inco's research

and development centre in Birmingham have perfected a high-performance nickel electrode called the Microsoil. It is being made available to battery manufacturers. Alkaline batteries are used

for electric vehicles, ships, industrial vehicles such as fork lift trucks, and for storing elec-tricity at factories for emergency power. Current designs are heavier than lead-acid batteries but they are more robust and last longer. Already European and U.S.

car makers are evaluating the Inco system with a view to using it for future electric passenger car designs. The new nickel electrodes recently have been put into mass

production by MPD Technology of Birmingham, an Inco com-Each electrode is a multilayer sandwich of sheets of perforsted nickel foil only four microns thick. The foil is coated with active nickel hydroxide.

The company intends to reveal details of the power system at the International Power Sources symposium in Brighton this week.

inventors' show

A TWO-WEEK exhibition of British inventions and technology, with displays by 52 com-panies, was opened yesterday at the London department store of Simpson (Piccadilly).

National executive set up to direct reactor project

boat-and that was all he

BY DAVID FISHLOCK, SCIENCE EDITOR

responsible for the nuclear in-dustry. the inquiry might be over before the end of 1982, in time

EEC backs £48m mine expansion BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE NATIONAL Coal Board is are to be achieved. to borrow DM 220m (£48m) from the European Coal nad Steel Community to finance development work at the Longannet colliery complex in Scotland and purchase of underground plant and equipment.

The loan is the first to be major coal-fired power station. agreed by the community under agreed by the community under The work will extend the will cover the exchange risks, an arrangement announced in life of the pits and reduce the the Coal Board will pay a rate March to stimulate the mining industry, which is seen by the line, is withdrawing flights European Commission as having between Edinburgh and Inver- a growing role to play in meeta growing role to play in meeting Europe's energy needs

Mr. Christopher Tugendhat, EEC Commissioner for Budget The Inverness-Wick-Kirkwall and Finance, who announced the loan, said in Edinburgh yesterday that by the end of the century, coal production in the Comunity would have to rise by 25 per cent if energy targets

decision followed a successful Rapier demonstration to Swiss MPs and the full Federal Council in Switzerland last week. The deal, if all goes

the Upper House will debate the

 Britannia Airways, the independent airline based at Luton, is to spend \$28m buying 14 U.S. General Electric CF6

well, could be worth up to semi-wide-bodied jet airliners. £250m for British Aerospace. The airline has already ordered two of the twinon the procurement by the engined 767s for delivery in Lower House of the Swiss 1984.

Swiss move nearer to £250m Rapier order by our aerospace correspondent

THE long-awaited Swiss Army Parliament this autumn, while

deal for British Aerospace Rapier anti-aircraft missiles matter in early December. moved a step closer yesterday, with a recommendation from the military committee of the Lower House of the Swiss Parliament in favour of the weapon

BAe said yesterday: "If all goes well, the order should be signed before the end of the

80A high-thrust jet engines for its planned fleet of Boeing 767

4,500 Welsh jobs lost in a month

cies were declared in Wales for August last year-according to figures issued by the Department of Employment yesterday.
They bring to 44,000 the total
of notified Welsh redundancies

so far this year, compared with 16,000 in the first eight months of 1979.

Jobs lost as a result of the drastic cutbacks in the Welsh steel industry account for about half the declared redundancies.

MORE THAN 4,500 redundan- wern and Port Talbot in Sout Wales are shedding over 20,000 last month-double the number jobs between them. The motor components and textiles sector among the industries cutting back employment.

cant number of the notified redundancies, notably in steel, have still to work their way through into the unemployment figures. The August Welsh unhalf the declared redundancies. employment total was 122.588
The major steelworks of Shotton in North Wales and Llanleavers).

Italian company to use Oxford building method

OXFORD REGIONAL health authority has signed a deal with an Italian construction company which will allow it to use the "Oxford Method" of hospital building construction in 85

The deal was agreed with INSO SpA Sistemi per le will provide drawings, design Infrastructure Sociali, an inter-data, production and technical national company based in information The company will pay the

INSO will have exclsive right to the Oxford Method in Italy, Greece and Yugoslavia, and in Western and Eastern Europe. Africa, the Middle and Far East. The regional health authority

The Oxford Method is design concept developed by Oxford health authority a lic- the health authority for designence fee of £20,000 a year plus ing and building hospitals royalties of 3 per cent of the using a steel frame and total cost of buildings construc-standardised components which ted. Royalties on a new £10m can be assembled to meet hospital would therefore add virtually any required specifica-£200,000 to the health athority's tion.



Do you want information like rates in

different currencies or local points of

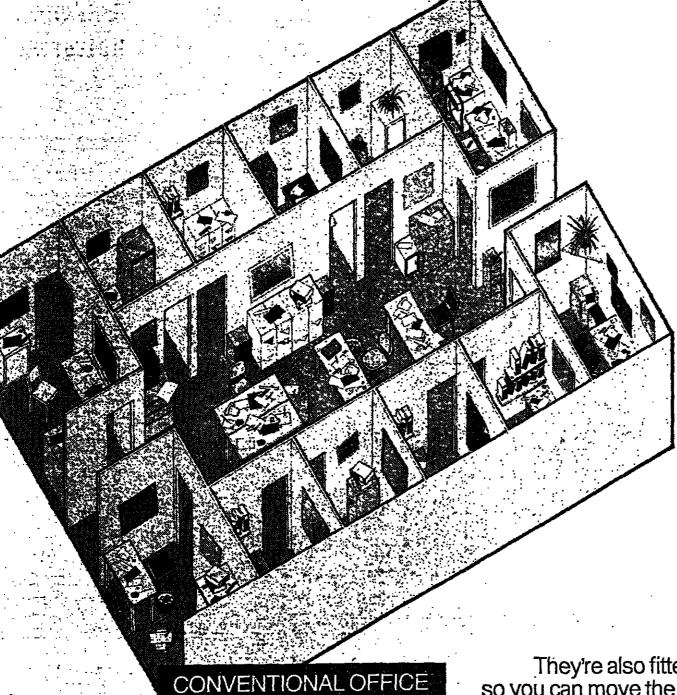
interest? Just one cali can give you all

. For reservations at any Sheraton,...

wer in

lesigne

HOWTO AVOID PAYNG RENT.



HUUSING ZU PEUPLI

To prove that you can do just that, we commissioned an architect to house twenty people comfortably in a conventional office space of sixteen hundred square feet.

When he'd done, we set aside his plan and asked him to do the same thing using only items of 'Action Office' equipment.

A quick glance at the two drawings reveals the results of his impartial endeavours, but let's examine more closely the system which allows this extraordinary saving of space and therefore rent.

A SQUEEZE, NEVER.

The normal way to fit yet more people into the same space is to deny them privacy and opt for open plan.

Everyone knows about that and if you

can work in it, fine.

But 'Action Office' provides a unique alternative. It takes up less space than conventional office accommodation but furnishes as much room as open plan.

Not overlooked, overheard, and overcrowded room but intimate working areas, all with just the right balance between privacy and accessibility. This is due entirely to the designand arrangement of the fundamental elements involved.

SMALL, MEDIUM, OR:

THAT MUST BE THE MANAGING DIRECTOR'S. Not to put too fine a point on it, these

elements are many and varied.

Essentially though, they're a series of beautifully constructed free standing panels that elegantly and acoustically dissect your extremely valuable floor space.

They come big, small, open or glazed, with ingenious connectors which hold the assembly totally rigid and enable you to add

They're also fitted with panel glides so you can move the whole thing about.

But most important, they come in a range of finishes to satisfy everyone. Harold in the stores. Robert in Exports. Even you.

FRAMEWORK DOES NOT AN OFFICE MAKE.

By now you should have mentally cleared and dissected your existing office, so spend a minute imagining the rest of the 'Action Office' furniture.

Traditional roll top covers for ultimate security. Countercaps situated just above your regular work height, which allow for secondary transactions without disturbing primary ones. Open shelves, closed shelves, lockable shelves.

A file in every conceivable shape for every conceivable use. Special stands for computer readouts.

Blackboards, display components and a sign system. There's even a crafty way of keeping electric and GPO wires hidden.

All this without forgetting one crucial factor. Individuality.

YOU CAN'T BEAT THE SYSTEM.

Although to some extent 'Action Office' is equatable with standardisation, it is in no way equatable with the mundane.

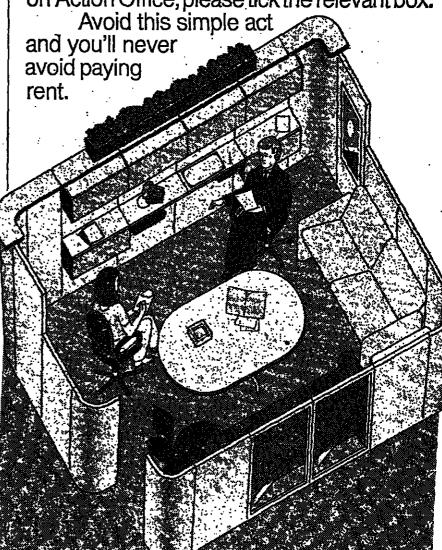
Quite the reverse, because the lavish number of items available inspire people to establish their own area just the way they want it, whilst your overall corporate feel remains totally intact.

Herman Miller, the inventors and manufacturers of this system have been planning (cost included) and installing it in Europe and the States for more than ten years.

As a further introduction to this country a series of seminars are planned. And a computer programme will be launched there, for those people wishing to evaluate the return on investment of installing 'Action Office' in their own company.

ACTION OFFICE HOUSING

If you'd like to attend one of these events, or simply receive more information on 'Action Office', please tick the relevant box.



☐ Please send me more information on 'Action Office'. ☐ Please send me details of the forthcoming series of seminars demonstrating 'Action Office' plus a free ticket to attend.

Name^{*}

Address

Herman Miller Ltd., 149 Tottenham Court Road, London W1P 0JA.
Telephone: 01-388 7331.

ALSO AT: MANICHESTER-AMETHYST HOUSE, 28 SPRING GARDENS, MANICHESTER M21EA: TEL: 061-832 8106. BIRMINGHAM—EDGBASTON HOUSE, 3 DUCHESS PLACE, HAGLEY ROAD, BIRMINGHAM B16 8NA. TEL: 021-455 0785. BATH—LOWER BRISTOL ROAD, BATH, AVON. TEL: 0225 28477.
HERMAN MILLER ALSO HAS OFFICES IN FRANCE, BELGIUM, NETHERLANDS, GERMANY, SWITZERLAND AND 13 OFFICES IN THE U.S.A. AND CANADA.

How a split in the Rothschild family developed

THE SPLIT between the two branches of the UK Rothschild family, which became public at vesterday's annual meeting of Rothschild Investment Trust. has been developing over a period of several years.

In essence, it stems from the relationship between two mittee.
cousins, Mr. Evelyn de Rothschild and Mr. Jacob Rothschild.
bank's development reflected and their different views about

assets—its name. Mr. Evelyn de Rothschild. 49, is chairman of the merchant bank, N. M. Rothschild and Sons (NMR), a private com-Mr. Jacob Rothschild, U.S. interests. 44. is chairman of the publicly quoted Rothschild Investment the bank during those years but

Mr. Jacob Rothschild has played a subsidiary role. This been involved closely in the was despite the fact that he affairs of the bank for about was-and is-much the largest

Although never formally its ing company, Rothschilds Conchairman, he was without tinuation Ltd. (R.C.L.).

INTERNATIONAL business interests were called on yester-

day to give more support to

the work of the International

Accounting Standards Commit-

Mr. Hans Burggraaff, com-

mittee chairman, said at a

Financial Times seminar on

multinational companies annual

reports that if business wanted

to avoid conflicting standards

it should come out loud and

clear in favour of the commit-

tee and multinational com-

panies should say so in their

al over the world would do

this, compliance with inter-

national accounting standards

would become a decent thing to

do for every self-respecting

The present limited degree

of compliance was of great con-

cern to the committee's board

and was under active con-

ing Standards Committee is

increasing its liaison with quate."

"If prominent enterprises

annual report.

in the public eye. at least, he shareholder in the bank's hold-

FINANCIAL TIMES

DEVELOPING

THE ANNUAL

COMPANY REPORT

CONFERENCE

Mr. John Grenside; senior

partner of the UK and inter-

national accounting firm of Peat, Marwick Mitchell, said

stock exchanges should do more

He said: "There is a need

for a firmer stance by stock exchanges throughout the world

in refusing listings to com-

financial reporting are inade-

national accounting spandard However, Mr. Grenside rejecting bodies: it is seeking ted a proposal in the recent ing the Annual Company Report was chaired by Mr. Tom Watts,

of large companies.

The International Account panies whose standards of

national organisations; it has of Annual Reports that inter-

an opportunity to make itself national accounting firms-as

heard in the working groups of part of a joint programme of the United Nations and the action involving multinational

After only a year, he passed the chair on to Mr. Evelyn.

the appropriate use of one of entrepreneurial character. In a traditional City merchant valuation put on Rothschilds the family's most valuable particular, it expanded its cor- bank. It remained very profit- Continuation by RIT's proposad cerned from around 1967 to able, thanks in particular to its porate finance activities and strong position in the bullion moved into the international market. But it seldom made the front pages.

Mr. Jacob increasingly shifted stakes in all sortso f unconven- the following months made such tional investments-like stock a closing of ranks look increas-

since its record has been good. Since 1977, its net assets have risen from £40m to around £100m. For comparison, the valuation put on Rothschilds continuation as something of a such appreciated headlines as "Reliance to buy stake in Rothschild." In the autumn, RIT moved further into the financial services market interpreted as something of a such appreciated headlines as "Reliance to buy stake in Rothschild." In the autumn, and it was financial services market interpreted as something of a such appreciated headlines as "Reliance to buy stake in Rothschild." In the autumn, and the such appreciated headlines as "Reliance to buy stake in Rothschild." In the autumn, and the such appreciated headlines as "Rothschild." In the autumn, and the such appreciated headlines as "Rothschild." In the autumn, and the such appreciated headlines as "Rothschild." In the autumn, and the such appreciate headlines as "Rothschild." In the autumn, and the such appreciate headlines as "Rothschild." In the autumn, and the such appreciate headlines as "Rothschild." In the autumn, and the such appreciate headlines as "Rothschild." In the autumn, and the such appreciate headlines as "Rothschilds" in the autumn, and the such appreciate headlines as "Rothschilds" in the autumn, and the such appreciate headlines as "Rothschilds" in the autumn, and the such appreciate headlines as "Rothschilds" in the autumn, and the such appreciate headlines as "Rothschilds" in the autumn, and the such appreciate headlines as "Rothschilds" in the autumn, and the such appreciate headlines as "Rothschilds" in the autumn, and the such appreciate headlines as "Rothschilds" in the autumn, and the such appreciate headlines as "Rothschilds" in the autumn and the such appreciate headlines as "Rothschilds" in the autumn and the such appreciate headlines as "Rothschilds" in the autumn and the such appreciate headlines as "Rothschilds" in the autumn and the such appreciate headlines as "Rothschilds" in the autumn and the such appreciate headlines as "Rothschilds" in the

Financial Times banking and

David Cairns, technical partner

in the London accounting firm

In a separate presentation Mr.

case for multinational companies

and international accounting

firms agreeing on a minimum

content for audited financial

The Financial Times survey

purpose documents

is based on the belief that

annual reports should be

useful to a variety of different

The philosophy which under-

lies that approach was outlined

at the seminar by Professor Edward Stamp, of the Inter-

national Centre for Research

"The accountability of

large enterprise to a range of

users . . . is based upon the belief that such organisations

have become such an integral

component of modern society

that they cannot escape their

The philosophy did not yet

obligations to society as a

commend general acceptance.

Delegates also heard present

Development and the United

University of Lancaster.

Accounting at

Stoy Hayward.

general

whole.

interest groups.

UK NEWS

snub in the RIT camp. Mr. Evelyn is on the board of Eagle

An even more significant development came in August of last year, when Reliance, the

bankers winced discreetly at such abbreviated headlines as

buying the Target units trust group and life company helped by Reliance which took a 40 per cent stake in this operation. The ultimate parting of the ways grew closer. In May this year, a low-key press release announced that the bank and RIT had been holding discussions for several months to determine their "appropriate" relationship in the future.

Mr. Evelyn resigned from the RIT Board, along with Mr. Kenneth Dick a non-executive director of NMR. Existing finan-

to be discontinued

During the last few months, the relationship seems to have deteriorated rapidly. In August, RIT floated a £12m Eurosterling bond—and the banking world. noted that NMR was not the

manager — or even an under-writer—of the issue; Over at the bank, hostility to the link with RIT seems to have been increased by the fact that the issue was launched under the name of Rothschild Investment Holdings
Although the bank has no sig-nificant stake in RIT it still has

powers under RIT's articles of association to insist that the name RIT should be changed to one which did not include the word Rothschild if there were no longer common directors. By stating its belief that Mr.

Jacob should cease to be a director of NMR and RCL in the near future, the main shareholders in the bank have now

of £82m in oil trade and £245m

August. This compared with

There has been a sharp im

three months—partly because

of the strong pound. Export

volume has been flat but its

three months.

Bank calls for action to reduce borrowing

PUBLIC sector borowing must be cut substantially to ease profitability and pave the way for lower unemployment according to merchant bank Morgan Grenfell in its monetary review published today.

The bank implicitly criticises the Government for not sticking to a tough enough monetary stance and calls for "rapid action" on fiscal policy to cut borrowing.

in another economic commentary published this morning, stockbrokers Laing and Cruickshank forecast that the public sector borrowing re-quirement this year will be about £2bn above the official target of £10.6bn and could rise to £12bn in 1981-82.

Morgan Grenfell says the Government has not yet adopted a budgetary policy that will provide a fiscal means to achieve its mone-

The cost of this discrepancy will be a continuing destruction of profits and employ-

Morgan Grenfell says the size of Government borrowing limits the access of other borrowers to the capital mar-

For this reason, a high PSBR is deflationary in current cir-

The bank points out that the apparent restrictiveness of official monetary policy has been considerably mitigated both by Bank of England help for the banking system to relieve liquidity pressures and by smoothing intervention on the exchange markets.

Following the sharp rise in money supply in the summer, Laing and Cruickshank says there is no fundamental evidence that monetary growth will be brought under control in the near future.

it says companies are being forced to borrow by the recession and the high exchange rate, and consumers are under no pressure to reduce their outstanding debts.

Richard Lambert looks at differences over use of the family name question its leading light as far In the mid-1970s, however, the jobbers Wedd Durlacher and ingly unlikely. as its public image was conabout 1975, when he served as Chairman of its executive comfather, became bank chairman.

his somewhat abrasive and moved into the international sphere by investing in consortium banks and building up

Mr. Evelyn was working at

Michael Lafferty

Financial Times

reports on a

seminar on

moon," he said.

organisation, and expressed its with financial statements willingness to work out an arrangement to joint efforts. with financial statements around the world which do not arrangement to joint efforts.

to improve reporting standards authority to support and enforce of large companies.

Ar. Grenside said

annual reports

This was "asking for the

International accounting firms

must have appropriate outside

multinational companies should

do more on a voluntary basis to

It would be helpful if annual reports could indicate whose

accounting principles were being applied in their financial

chairma nof the UK's Account-

ing Standards Committee. It

improve reporting standards.

Imperceptibly, the character have risen from £40m to around of NMR shifted back to that of £100m. For comparison, the share disposal is around £60m. However, the expansion of RIT was viewed with concern They felt it would blur the his energies in the direction of public's perception of the bank's

the quoted company, Rothschild activities. In its report and Investment Trust (RIT). This accounts for 1978-79, published had been transformed under his last summer, RIT said it might management during the early consider increasing its share-1970s from a rather boring holding in Rothschilds Continuinvestment trust into a financial ation, which stood at 11.4 per vehicle which took significant cent. But, a series of events in

U.S. insurance group, announced to a surprised world that it was going to pay £16m for a stake of just over 20 per cent in RIT. This move had the full support of the UK group but it was not greeted with enthusiasm at the bank. Mr. Saul Steinberg, head of

Reliance has a colourful busi- cial advisory arrangements holders in the bank have ness history, and he was to between the two companies were thrown down the gauntlet.

Call to support accounting standards | Strong £ aids trade surplus

BY DAYID MARSH

accounting correspondent, and BRITAIN has registered a strong surplus on the current account of its balance of pay-ments during the past three months. in contrast to the Cairns said there was a strong quarterly deficits earlier in the year.

> The surplus between June and August amounted to £554m. seasonally adjusted compared with a deficit of £118m in than cancelled out by the sur-

Invisible earnings for the year to date have been revised upwards. The invisible surplus in non-oil trade during June to during the last few months is estimated to have been running deficits of 14m and 2426m at around £75m a month up respectively during the previous from the £50m a month estimate made in August. provement of 3 per cent in the terms of trade during the last

But the major change has been on the visible trade account, where a surplus of March to May. The overall £327m has been recorded during shortfall during the first six the last three months against months of £230m has been more a deficit of £430m during March to May. Exports have been plus of £474m during the past fairly buoyant but imports have dropped, owing to the recession.

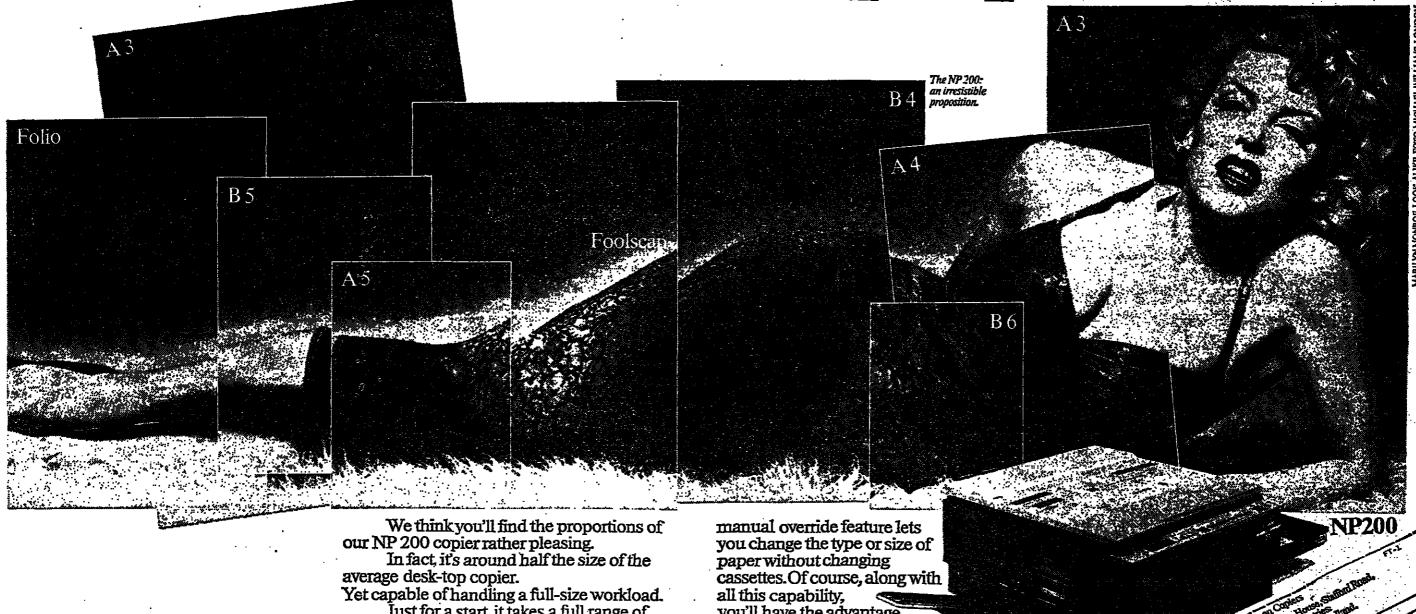
value has risen by 2½ per cent. Import volume has fallen by 2½ per cent and its value by } per BALANCE OF TRADE Oil balance

1978	1st	8,390	9,023	120.1	113.6	105.0	625
	2nd	8,676	8,862	121.0	109.1	104.5	419
	3rd	8,933	9,401	122.5	115.0	106.1	497
	4th	9,072	9,278	122.5	112.9	106.5	458
1979	1st	8,373	9,961	109.0	116.9	107.0	-235
	2nd	10,658	11,114	135.3	128.9	106.4	-229
	3rd	10,641	11,134	129.8	128.1	106.8	-158
	4th	11,017	11,762	129.3	128.9	103.7	-157
1980	1st	11,726	12,558	131.3	126.5	100.7	126
	2nd	11,813	12,114	129.2	124.8	102.4	29
	June	3,970	3,967	130.3	125.3	103.4	30
	July	4,032	3,771	129.8	118.5	103.8	+-102
	August	3,958	3,895	127.1	120.9	105.2	+- 10

Source: Department of Frade

Organisation of Economic Co- companies and the standards It began with a joint presentaoperation and Development; it committee-should refuse to Nations on their plans to tion of the survey and its find- improve reporting standards of ings by authors Michael Lafferty, multinational companies. has offered its co-operation to allow their names to be assothe United Nations and the ciated without qualification. Taken together, these Canon features make an attractive proposition.

dealt with many of the issues ations from the Organisation for raised in the world survey of Economic Co-operation and



Just for a start, it takes a full range of paper sizes. From B6 up to A3.

It'll copy books or 3D objects. Reproduce halftones. Even copy onto overhead projector film.

At an impressin les a minute. you'll have the advantage of Canon copy quality.

So, if you sign up for our NP 200, you may for once be delighted by the fine print.

Canon

Financial Times reporters examine the likely effects of the national dock strike scheduled to start Monday

Overcapacity has produced 'fierce ports competition'

BY OUR SHIPPING CORRESPONDENT

THERE are more than 100 ports in the UK where the Gustoms and Excise men collect statistics, and dozens more wharves along most estuaries where ships can dock and un-

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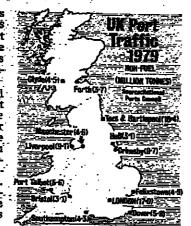
load their cargoes,

The National Ports Council recently calculated that Britain's ports could handle around 1bn tonnes of cargo per year, but in fact they handle only around 400m tonnes, with the result that there is considerable overcapacity and competition for business is very fierce. This fact should not be over-looked in any assessment of the effectiveness of a national docks

strike.
The trade of the older ports, such as London, Liverpool and Bristol has been declining for While newer ports such as Felixstowe and Dover have been flourishing. The total numbers employed in the industry have fallen from 130,000 in 1966 to less than 60,000 now, and are still falling.

Britain's entry into the Comconventional break bulk cargoes

past decade. the South and East coast ports. reflecting the growth of the current dispute. These two ports will be the Britain's trade with Europe. London, Liverpool and Bristol worst affected by any national Second, there has been a drama- are losing money heavily and docks strike and the government



container revolution spawned new ports, such as Felixstowe, which have been able to capitalise on their freedom from the historical labour problems of places like London and Liverpool and consequently capture a large part of the

rowth in the traffic. Fourth, the discovery mon Market, the switch from North Sea oil has led to the emergence of a new generation to containers, and the advent of oil terminals in places such roll-on/roll-off ferry services to as Flotta and Sullom Voe, Europe, has led to a dramatic which will soon overtake ter-

latter that are at the roo of finance losses.

tic growth in traffic of roll-on/ are in desperate financial will almost certainly have to roll-off ferry ports, Dover being trouble. Southampton and Hull step in and rescue them if there the leading example. Third, the are also losing money, but they is a prolonged dispute.

port Docks Board which is profitable overall, and can absorb the losses of these two

The most profitable ports tend to be along the South and East coasts, and generally employ relatively few dockers. This is an important factor in their success, since unlike London and Liverpool, they have not had to carry large numbers of surplus dockers on their payrolls.

Britain's ports are owned by a variety of bodies and this has compounded their problems. The biggest undertaking is the British Transport Docks Board, which is nationalised and owns 19 ports around the country, giving it just under a quarter of UK port traffic. Being profitable it has been able to finance

its investment programme. There are some municipally owned ports, of which Bristol is the best example. It has been losing money for several years but up to now the local ratepayers have been willing to foot the bill. There are also some privately owned ports of which Felixstowe (part of European Ferries) is the best example.

However, the two major ports, shift in the balance of power minals like Milford Haven and the Port or London Authority in the ports industry over the Southampton, in importance. and the Mersey Docks and Against this background it is Harbour Company, are respec-A number of things have possible to split Britain's ports tively a trust port and a been happening. First, there into two groups, those which are statutory company. They do not has been a drift of traffic away profitable and those which are have any lender of last resortfrom the West coast parts to virtually bankrupt. It is the such as the ratepayers - to

by a Parliamentary vote.

Ministers prepared for emergency

action By Richard Evans, Lobby Editor

SENIOR Ministers were keeping in touch with docks developments yesterday but will await events before deciding if any action is

The Contingency operating from the Cabinet office, would be responsible for co-ordinating Government measures should the strike take place and supplies be-endangered.

The Queen would be advised through the Privy Council if the Cabinet decided a State of Emergency was.

The essential criteria would be the threat to the mainten-ance of supplies and services essential to the life of the community.

Once the Queen signed a proclamation, it would become effective at midnight on that day but Parliament would have to be recalled within five days to be told that a State of Emergency

The Proclamation would last for one month unless renewed and it would enable Ministers to take a wide variety of powers by laying specific orders before Parliament under the Emergency Powers

The orders would lapse after seven days unless passed

Air and ferries offer little relief

THE TRADING community yes- is available. The percentage is expansion of air freight, the UK's dependence on sea routes is overwhelming.

Although latest trade statistics showed exports holding up well — £3.9bn in August exporters have had an increasingly difficult time with the world recession, and with the rise in the value of the pound.
A dock strike, it is feared, will exacerbate problems associated with the national reputa-tion for poor reliability on deliveries. Markets lost because of the strike may not be easily

Sea transport took 74.5 per

per cent.

The situation is much the same for imports-77.2 per cent arrived in the UK by sea in 1978, compared with 82.3 per

Principal seaborne exports are UK economy staples-textile yarn, iron and steel, metal manufactures, power-generating equipment, specialised machinery, road vehicles, petroleum and petroleum pro-

Imports follow the same pattern but there have been significant changes in terms of petroleum and petroleum pro-

ducts.

terday viewed a dock strike unlikely to be much changed rate of 865,000 barrels per day year's steel strike. In spite of ried by sea amounted to 79.6 at 1.1m b/d and, a year before goods worth more than £1bn. that, at 1m b/d. However, in June, 1973, the rate was 2.5m b/d. Product imports in June. 1980, and June, 1979, were

240.000 b/d, compared with 439,000 b/d in June, 1973. UK ports handled 92m tonnes of goods in the first quarter of this year and 10 of them had traffic of more than 3m tonnes each. These were ondon, Medway, Southampton. Milford Haven, Liverpool, Shet-lands, Orkney, Forth. Tees and

Hartlepool, and Grimsby and

Immingham. The key ports, taking imports worth more than £1bn each in for less than 1 per cent of total 1978, were London, Southamp- weight and for more than 17

Last June they arrived at the Harwich and Felixstowe. Of these, all except Medway, Milmore apprehensively than this for 1979. In 1970, exports car- but in June. 1979, they came ford and Immingham exported But figures hide the increas-

ing importance of roll-on ferries and container traffic between the UK and EEC ports, in which Dover plays a growing role. This underlines in the UK's seaborne traffic.

More than 40 per cent of Britain's total sea trade is with the EEC, and 80 per cent of all the goods which move between the UK and the EEC is by sea. There can therefore be scant relief only from other forms of

transport. Air transport has cent by value of the UK's ducts. The increase in producexports in 1978, the last year
for which a detailed breakdown crude-oil imports fell steadily. Liverpool, Immingham, Hull, value increases to 20 per cent.

Moves to protect North Sea oil output

BY RAY DAFTER, ENERGY EDITOR

NORTH SEA oil and gas accept that a prolonged dock sufficient "life support" pro- Beatrice reservoir, said last development projects could be strike could cause serious visions — including food and night: "Obviously any dock strike. Already oil companies production. are making contingency arrange. There als

The offshore industry warned last night that work on new have a major impact on the in case fields are cut off from fields and major maintenance country's balance of payments, the mainland by bad weather. schemes could be affected Government revenues and in- A dock strike, therefore, would almost immediately. Companies dustry cash flow. would find it difficult to ship equipment to North Sea fields, that offshore operators would running at between 1.6m and particularly as about 80 per cent not only find it difficult to 1.7m barrels a day. the orders are met by UK replace faulty equipment but in manufacturers and suppliers.

development projects could be strike could cause serious visions — including food and affected seriously by the dock delays to the build-up of UK oil fuel.

ments in an effort to keep their the offshore industry that pre-offshore fields in production. the offshore industry that pre-sent production could be hit. North Sea installations which in the long run could

It was pointed out yesterday on time they might be unable to tion, operator of the Thistle

There also is concern within rigs and platforms in the UK North Sea installations always

> not have an immediate impact production rates.

British National Oil Corpora-Consequently, oil companies supply ries and platforms with Field and now exploiting the situation under review.

strike would affect us and we More than 10,000 men work on are watching the situation very

Shell UK Exploration an Production, operator for the carry reserve stores of essentials Shell/Esso offshore partnership. a national dock strike we would expect to encounter some diffi-culties in our operation." The Shell/Esso partnership produces oil from the Auk, Brent, Cormo rant, and Dunlin fields.

> British Petroleum would say only that it is "keeping the

Concern about overseas markets

BY JAMES McDONALD

dual exporters, ICI and Ford, markets. are seriously concerned over the are seriously concerned over the Ford, perhaps better known effects the national docks strike for its imports of Capri Granada could have—and fairly quickly and Fiesta models, ranks second — on their overseas markets.

cannot imagine anything worse effects of a dock strike on its for a chemicals industry, already in a state of recession. than an extended docks strike. markets quickly."

supplies plentiful and ry competitive, ICI has

only to ICI as an exporter, and An ICI spokesman said: "I it is very worried about the

Ford is particularly con-The company's exports this 1.3 and 1.6 litre engines from the passion distribution of supplies of the Escort 1.3 and 1.6 litre engines from the passion distribution of supplies of the Escort 1.3 and 1.6 litre engines from the passion distribution of supplies of the Escort 1.3 and 1.6 litre engines from the passion of the Escort 1.5 and 1.6 litre engines from the passion of the Escort 1.5 and 1.6 litre engines from the passion of the Escort 1.5 and 1.6 litre engines from the passion of the Escort 1.5 and 1.6 litre engines from the passion of the Escort 1.5 and 1.6 litre engines from the passion of the Escort 1.5 and 1.6 litre engines from the passion of the Escort 1.5 and 1.6 litre engines from the passion of the Escort 1.5 and 1.6 litre engines from the passion of the Escort 1.5 and 1.6 litre engines from the passion of the Escort 1.5 and 1.6 litre engines from the passion of the Escort 1.5 and 1.6 litre engines from the passion of the Escort 1.5 and 1.6 litre engines from the passion of the Escort 1.5 and 1.6 litre engines from the passion of the Escort 1.5 and 1.6 litre engines from the passion of the Escort 1.5 and 1.6 litre engines from the passion of the Escort 1.5 and 1.6 litre engines from 1.5 and 1. year have met keen West its Bridgend plant in South European competition in the Wales to West Germany to plastics, man-made fibres and power the new Escorts for the launch date there of September

> - Radiators and much of the electricals for the German pro-

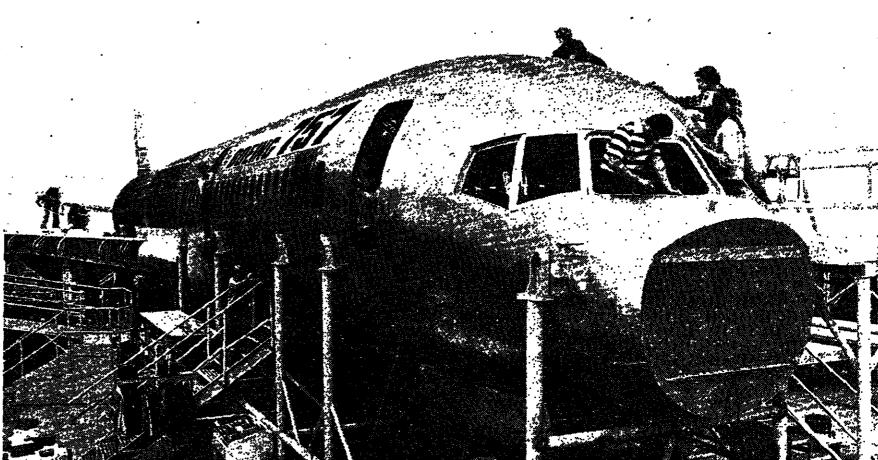
BRITAIN'S two biggest indivi- to retain some European duced Escorts are also made in Britain.

> Elsewhere in the motor industry reactions were more subdued. British Leyland could see no immediate effects. There were "good stocks" of BL cars overseas where there had been a slowing in demand, and few cars were being imported from

Stocks of cars in Britain were We could lose some overseas cerned over the possible disrup high and the company was already working a reduced

For the engineering industry generally much will depend on the length of the stoppage. In effect on production; there is a good deal of steel available and demand is low.

HOW TO BUILD A BOEING.



Fears of panic food buying

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

Ministry of Agriculture and of the country's total food much of the food trade, was requirements.

food industry that pairic buying badly affected since three-during the road haulage and quarters of total supplies are steel strikes caused as much produced in the UK.

However, some 54 per cent of disruption as the strikes them the UK's sugar requirement

THE KEY QUESTION about either of these two recent the effect of a national docks disputes in its effect on the strike on food supplies is how food industry. The UK imports extensive the inevitable panic £5.3bn of foodstuffs for home buying will be Although the consumption—about 50 per cent

fairly optimistic vesterday about But the timing of the strike food supplies in the event of a means the relatively good strike there was general agree harvest should ensure adequate ment that widespread panic supplies of fresh fruit and huving could upset calculations, yegetables in the immediate H is acknowledged within the future Meat should not be badly affected since three-

> However, some 54 per cent of the UK's sugar requirement comes from abroad.

strike could lead to severe shortages of particular products but adequate supplies should be available for several weeksassuming panic buying does not

get out of hand, Much depends on the effectiveness of the attempt to ban all movement within the docks areas, and the extent of secondary picketing. Concern also exists in official quarters over the level of stocks

carried by food manufacturers and retailers. It is believed that bigh interest rates have led manufacturers retailers drastically to cut their stock levels. Thus, the normal two months' supply of processed locks strike however, is Food manufacturers said two months supply of processe to be more serious than yesterday that the effect of the Food available may be reduced

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Getting people together.

Stockpiling cushioned industry in acrimonious 1972 stoppage

Government invoked emergency strike was declared.

That was the fourth time the Heath Government had invoked unemployed dockers from £20 such powers. The previous a week to £42 a week four occasions, were the 1970 dock weeks annual holiday and an strike, the go slow of power agreement that dockers had the workers in the same year and sole rights to "stuff and strip" the miners strike earlier in containers.

London and the Government had all failed to confront the traditionally character in the face of tech-

secretar yof the TGWU at the on strike in a protest which time, said the dockers' main grew into a general attack on years previously they had been which had come into force promised regular work if they earlier that year. acceped mechanisation and new

dockers, had been moved outpowers, as a precautionary measide.

sure, just one week after the The union called the strike in

support of increase in fall-back pay for In the weeks before the

In the event, Ministers did strike the mood in the docks not bring troops into the docks was charged by a major con—an action which would have frontation between dockers, been regarded by dockers as picketing container depots, and highly provocative. The national strike was the tions Court, which was set up culmination of several years in by the Industrial Relations Act. which employers, the Transport It had ordered the pickets to and General Workers' Union, stop blacking lorries in their the Stevedores. Union in fight for the right to handle containers and other cargoes at

inland, depots. Five London dockers were labour-intensive industry being imprisoned for defying the forced to change drastically in order and unofficial strikes broke out in ports in protest. nological developments in cargo Other workers, estimated to total 170,000, including printers, Mr. Jack Jones: the general miners and steelworkers, went grievance was that for the five the Industrial Relations Act

Anger over the imprisonments contributed to the rejec-In those years the workforce tion of a report—prepared by

DURING the last national docks had been run down from 60.000 the Aldington Jones Committee strike in 1972, which lasted to 40.000 and some operations —which put forward proposals three weeks; the Conservative previously done in the docks, by for dealing with the jobs crisis in the docks. for dealing with the jobs crisis in the docks, and the declaration of a national strike. The same initiatives of this committee brought the 1972 strike to an end ere contributing to

the present dispute: During the last few days of the strike the Government daily deferred taking emergency action to release cargoes of animal feeds urgently needed by farmers.

The effects on manufacturing industry were not as serious as expected, mainly because of the strike's timing. It came in July and August, when many industries clos down for annual holidays while others reduce production because of holidays In addition, the comparatively build-up period to the organisations dependent on imported ray

materials a chance to build

stocks up beyond the norm for

the time of year.

For the steel industry, iron ore stocks in the country were said during the strike to be sufficient for about six weeks. More important, according to the British Steel Corporation, was the suspension of export shipments. Half-way through the strike the corporation had more than £2m worth of steelsome 42,000 tonnes-held back

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Vauxhall to implement 8% deal despite opposition

BY PAULINE CLARK, LABOUR STAFF

VAUXHALL motor company to oppose the deal Union told its 23,000 hourly-paid leaders of the 7,000-strong-workers vesterday that it was workforce there indicated workers yesterday that it was taking administrative steps' to implement an 8 per cent pay offer in spite of failure to agree the deal with trade unions.

Payment of the increase giving on average an extra £7, is likely to be accepted this month without opposition from the 15,000-strong workforce at Luton and Dunstable, They accepted the package last week in secret ballots.

However, Vauxhall workers

yesterday that no move was planned to confront the company on its decision to impose the deal. But a meeting is likely to be held this week at which they will report back. Yesterday's move made this

the second pay deal concluded by a major motor company in this year's pay round. It follows acceptance of an 8-12 per cent settlement reached with leaders of 12,000 Talbot workers this month. The Talbot deal, coverat Ellesmere Port, at a poorly ing 18 months, pays another 7 attended mass meeting, voted per cent from next March.

London weeklies strike

BY GARETH GRIFFITHS

strike by 500 of its members on London weekly papers could affect this year's pay settlement for 9,000 provincial journalists. The strike by the London weekly journalists started yes-terday although the one evening paper affested, the Slough Evening Mail, did appear. The NUJ says it has received an assurance from the National Graphical Association that articles written by non-NUJ members will not be set. Delegates from the provincial is over a claim for a weighting newspaper sector are to meet allowance of £20 a week.

THE National Union of in London on Saturday to Journalists said yesterday the formulate a pay claim for this year's negotiations with the Newspaper Society—the same employers' group with which the union is in dispute over the London strike. A wage claim for an extra £20 a week for senior journalists employed on provincial papers

has been drawn up. Union officials yesterday expressed concern that the London strike could delay a

end that the engineering section's national committee had mandated delegates to the Laborate Party Conference later this month to vote against the three transtitutional reforms d by the Party's Left.

because their officials are

immediate imposition of the

elective process would breach the contracts of its officers—

though it says it is willing to elect its officials in the future.

It is also disturbed by the

announcement over the week-

appointed."

by TASS."

Both sides have strong reservations over the merger. The dominant sengineering section. Ken Gill, TASS general cersion, said yesterday. "If we war part of an organisation that thok decision in advance together with the two small craft sections, are insisting that once the merger is completed, of our arrival and we came only to be parormed of it, then that TASS officials must be elected by ballot rather than, as at present, appointed by the world be a gross intrusion into

executive.

Mr. Terry Duffy president of weither.

the AUEW's engineering Engineering workers would section, said in his address to "not stand idly by and yield the union's national conference to Government attack." Mr. two weeks ago.

Section, said in his address to "not stand idly by and yield Mr. John Edwards, the union's national conference to Government attack," Mr. Certification Officer who overing Llandudno yesterday that Duffy said yesterday in his sees the conduct of union "TASS are still not in a posi-address to the conference.

Crane men

picket oil

refinery

projects

By Gareth Griffiths

at important sites.

CONSTRUCTION work at the

oll refineries at Milford Haven, Pembroke and Sullom

Voe, Shetland, were the first

projects to be hit by the first full day of the crane-drivers'

nafforal strike yesterday. Between 2,000 and 3,000 carne

drivers are taking part in the strike. Local unions officials

claimed a response from about

90 per cent of the member-

ship and have set up pickets

Most large scale construction projects in the country are

affected by the strike, includ-ing power stations such as the like of Grain.

recied to be felt fairly chuickly on the larger sites,

Craftsmen's dispute hits BBC work

UK NEWS = LABOUR

BY JOHN LLOYD, LABOUR CORRESPONDENT

between the four autonomous

sections of the Amalgamated

Union of Engineering Workers

have been set back because one

of them—the 200,000 strong white-collar section, TASS—has

The proposals to merge the four sections date from 1970,

when the amalgamation was

The 75,000-strong Union of Sheet Metal Workers, which is not part of the amalgamation,

has said it also will take part

in the merger, which would

create a union of around 1.5m

The 1.2m-strong engineering section, together with the two

small craft sections—the 54,000-

strong foundry workers and the

workers-have completed the

preliminary formalities on the

The construction section was

ready to move to a ballot of its

membership but it was halted

construction

25,000 - strong

merger.

threatened legal action

PLANS

AUEW merger held up

for a full merger mergers, had received a letter tion to remove the main the four autonomous from TASS saying it was pre- obstacle to real amalgamation

pared to take legal action to

ensure that the interests of its members were safeguarded.

Mr. John Baldwin, general secretary of the construction section, said yesterday that his

union also would consider legal action, if the Certification Officer did not allow the ballot

to proceed. A decision from

Mr. Baldwin said: "It is

quite clear that the Certifica-

tion Officer has been threatened

the Officer is expected next

by legal action threat

BY GARETH GRIFFITHS

BBC TELEVISION productions and construction department at have been hit by a dispute be- its West London studios. Altotween members of two unions, with the prospect of a possibly on strike and by yesterday 224 bitter demarcation row between staff had been taken off the pay the unions later in the week.

The National Association of Theatrical, Television and Kine Employees and the Association of Broadcasting Staff both have members in the BBC's scenic the row.

A BBC decision last month his mate on location to build a in the programme being blacked by both unions.

have enough money to allow were not needed. the craftsmen to go on location and that the work should be done by employees in the

gether 143 union members went roll, the BBC said."

Programmes hit are mainly in the light entertainment and childrens' departments. Popular comedy shows such as The Des O'Connor show were lost operations and construction de- over the weekend and last partment, which is the centre of night's Blue Peter went out from a bare studio.

The BBC said last night the not to allow a carpenter and effects of the dispute would be felt very quickly, hitting prodoor for a television pro-ductions for the autumn gramme, Dawson's Watch, being schedules. Br. Bill Cotton, BBC filmed in Ross on Wye, resulted TV's acting managing director, said in a letter to staff that the corporation could not afford to The BBC argued it did not send staff on location when they

Talks were held yesterday between officials from both unions over the dispute. A meeting of special effects department. the ABS London television com-Last Thursday the BBC sus-pended 27 members of both matter and NATTKE plans unions in the scenic operations further talks with the ABS.

companies hire crane The dispute between the construction section of the Amaligamated Union of Engineer-

ing Workers and the Con-tractors' Plant Association is over the sacking of 500 crane drivers in the North East and South Wales for carrying out an overtime ban Mr. John Baldwin, the AUEW construction general secretary said vesterday the dispute was

over the sacking of these men, not a pay claim. The union had asked for a rise in the minimum skilled rate to £2.20 per hour. The employers had said they

could not afford the deal without abolishing a guaranteed minimum bonus and reducing mainténance payments.

course for women praised

Management

By Our Labour Staff

THE Engineering Employers' Association in the West Midlands was praised yesterday by the Equal Opportunities Commission for its lead in launching a "women in management

course. Baroness Lockwood, chairman of the EOC, said women only management schemes are "a pragmatic recognition that although the number of women managers is increasing. conventional courses where women are singled out as token females will remain for some

time." The association had given an exemplary lead in positive discrimination This was not intended to make one sex more equal " but to enable the settlement for all provincial disadvantaged sex—male or papers. The dispute in London female—to compete on an equal basis with the opposite sex, said Lady Lockwood.

Cuts 'hit Civil Service morale'

BY GARETH GRIFFITHS

CIVIL SERVICE unions yester-day said their members in the Department of Employment were suffering from a crisis of morale because of Government staff cuts. It warned that un-official strike action was a strong possibility in many benefit offices.

A delegation of four unions the Civil and Public Services Association, the Society of Civil and Public Servants, the Civil Service Union and the Institu-tion of Professional Civil Servants-yesterday saw Mr. James Prior, the Employment Secretary, to express their concern over staff cuts in the Employment · Service.

The Government reaffirmed its determination to keep the Advisory, Concillation and Arbitration Service and the

wages inspectorate of the Wages cramped accommodation and Council. The unions had earlier insufficient people to deal with expressed worries about the rise in unemployment rumours that the two bodies Morale had fallen and the were to be abolished.

Government seemed unable to

pressed disappointment at the The unions claim that because rest of their interview with of the cuts delays in the payponed twice. A further meet unemployed have risen from ing is planned for October. The two days to three days. Checks Department of Employment has on payments which are sup-already saved 3,000 jobs but posed to take place on a sample total staff cuts will amount to 11,893 posts, more than 20 per ber have been dropped to save cent of the total staff. staff and the unions feel that

employment national

The delegatio mowever ex- see what was happening.

Mr. Prior, which had been post- ment of Giro cheques for the of 2 per cent o fthe total numstaff and the unions feel that Mr. Terry Ainsworth, the the position can only get worse. The CPSA yesterday gave

officer, said that because of permission for industrial action rising unemployment the by operators of a computer Department of Employment transmitting system in London had had to recruit 3,500 employment offices. The action tmeporary staff. Staff in the could hit the allocation of jobs e department had suffered from to job centres

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• ELECTRONICS

Computer thinks it is an oscilloscope

HEWLETT PACKARD, a lead-new computer-based oscilloing U.S. electronics manufac-scopes. turer, has done more with its latest product than simply add computer intelligence to brighten up a conventional in-

Its latest oscilloscope, the HP 1980 System, is effectively a microcomputer which behaves as if it was an oscilloscope.

Hewlett Packard (HP) has thus opened the door to a whole range of electronic test and measurement products which are simply microcomputers in instrumentation clothing.

What Hewlett Packard have done with the humble oscillo-scope in turning it into the 1980 System will make it almost unrecognisable to the electronics engineer used to the conventional model.

The traditional face plate with screen and a myriad of dials and switches has been replaced by a screen rather like a computer video monitor and an array of simple, colour coded and when activated an internal ments

light illuminates the function. The new machine costs £4,777. whereas a conventional oscillo-specialised measurements. Its in-scope would cost around £3,000. ternal architecture is organised this week the market world- (IEEE standard 488) which wide for oscilloscopes of this means it can be programmed

September 15, 1980

The advantages of the 1980 System, apart from the extra features made possible by computer technology, are ease of operation and time savings.

According to HP, calibration of the new device can be accomplished in 45 minutes, compared with 6 hours for a conventional model.

For many measurements, the machine can be operated completely automatically. HP re-ports that in prelaunch trials, there was a split of opinion between those who found the 1980 System easy to use, and those who found it too much of a change from the orthodox

oscilloscope. William Terry, general manager of HP's instrument group argued: "A simplified front panel, instead of the complex array of knobs on conventional oscilloscopes, can cut set-up time by a factor of five."

The machine is a completely stand alone instrument that touch switches. Each switch does not require plug-ins or has its function written on it. enhancements to make measure-

It does have the option of accepting special modules for According to HP executives around the HP interface bus type is around \$250m, of which from outside and can send data sheet provides a working area \$150m could go towards the to a controller for analysis or of 1.2 by 2.1 metres.

Redemption Notice

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to a hard copy printer.

A single rotary control replaces the many on traditional scopes for adjusting all the variable functions. Its action depends on which of the front panel touch keys has been acti-

An important feature is autumatic signal acquisition. When 'autoscope" is activated the instrument automatically sets its controls to capture and display the predominant signals.

HP believes it will be possible for operators with less skill and training to operate the new machine and is looking for markets chiefly in electronic production and in research and development

It is based on a powerful microprocessor, the Intel 8085. sive. Most of the cost of developing the 1980 went into the computer software which makes possible all the fancy functions and simplicity of use. HP in the UK can be reached or Reading

• IN THE OFFICE Sitting at the drawing board

MOST drawing boards sold in Britain are imported, says Both-well Engineering Company, which is now marketing one of its own design,

Claiming it to be of a new type the company which is located at 67 Main Street, Bothwell. Strathclyde (0698 854068). is showing the drawing board at the Scottish Engineering Exhibition in Kelvin Hall. Glasgow, in November.

It has been designed so that the draughtsman can sit at his PROCESSING

Applies a very tough surface

WHERE PARTICULAR kinds of surface characteristics are needed, to resist wear and corrosion for example, in-vacuo processes in which appropriate materials are propelled into the surface are proving increasingly attractive, if somewhat expen-

A year ago commercial versions of the Harwell room temperature ion implantation machine were announced by Hawker Siddeley Dynamics Engineering of Hatfield which were aimed at tool metal hardening and it is understood that this machine is now being evaluated by the UK aerospace propulsion companies.

Plasma nitriding is established as a process by J. J. Castings in South Wales and a good deal of plasma coating research is going on at Liverpool University.

However, General Electric Company of the U.S. has now come up with what it believes is the best method yet devised for combating hot corrosion in gas turbine "buckets" (the scoop shaped aerofoils that are spun by the hot combustion gases). The special coating applied prevents the gases attacking the substrate metal.

The material used by the GE (U.S.) research laboratories is a blend of cobalt, chromium, work and the backing sheet is aluminium and yttrium and the mounted on rollers so that the company's preliminary tests mounted on rollers so that the company's preliminary tests drawing can be pulled down to show that buckets coated with a convenient and comfortable the new material should last working position. The backing more than 40,000 hours in the most hostile corrosive environments. It is claimed that this



These gas turbine buckets (blades) have been given an ultradurable coating at GE(USA) laboratories using a hot plasma in-vacuo process

is three times that of uncoated argon and helium gases at high buckets and a "significant improvement over the currently used coating material."

Resulting coated alloy gives an optimum balance between corresion resistance and the mechanical properties needed to take the high stresses encoun-Temperatures of 1.650 deg. F and top speeds of 1,200 mph are not uncommon.

Aluminium is the key element giving the good corrosion properties: it reacts with aimospheric oxygen to give the oxide, a ceramic material highly resistant to attack by salt compounds in the combustion products of gas turbines.

These kinds of techniques. which are finding other industrial applications, involve the use of a stream of ionised gas to carry metallic molten particles on to the surface to be coated.

At GE (U.S.) the plasma is created by passing a mixture of

pressure through an 80 kW electrical arc in the nozzle of the spray gun. The gases ionise, reaching instantaneous temperatures of over 20,000 deg. F, and this stream is first used to pre-heat the target surface. Powdered coating material is then blown into the nozzle where it melts immediately, strikes the surface and, because of the pre-heating turns into a good quality metallic interdiffusion layer. The nozzle is scanned a number of times to give the required build-up and the bucket is then heat treated

The development team has set up a pilot scale facility in which a factory oriented production process can be worked out. The company says this will pave the way for the planned addition of an automated coating facility to the Schenectady, New York gas turbine factory.

GEOFFREY CHARLISH

SAFETY

Protects the legs

chainsaws enthusiastically using the device mentioned on this page yesterday, may have need of the latest product from Fothergill and Harvey.

It makes a toughened fabric which can be fashioned into protectors against the thousands of leg injuries sustained each year by chain saw operators.

As Fothergill and Harvey puts it: "Flesh and bone are ripped away in even less time than it takes to lop off a branch."

Traditionally, chain saw operators wear bulky leg protectors made up of 28 layers of knitted nylon. This provides but restricts movement and

THOSE WHO sharpened their can be a hazard to the operator in uneven terrain.

Fothergill and Harvey claims that leg protectors made up of four layers of its D235 fabric give the same or better protection than the nylon layers.

Its claims have been substantiated by the Forestry Commission in the UK and the Finnish Research Institute for Engineering in Agriculture and Forestry.

The D235 fabric is woven from Kevlar 29 aramid fibre yarns produced by Du Pont -Fothergill and Harvey already make it up into bullet proof undershirts, vests and coats and protective costumes for bomb disposal experts

Fothergill and Harvey is on

COMPUTERS Computer car has

AFTER SOME five years of piecemeal announcements from many companies about the appli-cation of small computers and other electronics to the motor car, General Motors now seems to have taken the plunge in a big way with the quite unam-biguous statement that "from today, virtually all GM petrol-driven cars built in the U.S. will be fitted with a small digital computer about the size of a text book."

It claims as a result to have become the largest manufacturer of computers in the world (albeit by unit count, not by value) because some 18,000 to 20,000 of these units are being made per day at the Kokomo and Milwaukee plants of Delco Electronics division (a GM subsidiary).

The two-board microcomputer has been christened Computer Command Control (CCC) and appears to be able to carry out most of the tasks so far suggested for the car computer and several others besides.

Basic tasks are to regulate precisely the air fuel mixture entering the engine to give optimum fuel economy, improved engine performance and much better control of exhaust emission.

The micro receives data from appropriate sensors about cooling system temperature, crankshaft revolutions, throttle posi-tion, manifold pressure and the amount of oxygen in the exhaust gases. It analyses all this in milliseconds and then, according to its program sends out digital pulse instructions to engine and drive train components. Messages sent to the carburettor for example give rise to fuel adustments at up to 10 times a second. Other functions controlled include engine idle speed and the opera-tion of automatic transmission converter clutch.

Variability of the GM models is easily taken care of in the way in which the computer is programmed: the same CCC is

used in all cases. An interesting result of this highly significant GM move is that many conventional engine good joint components have had to be recomponents have had to be redesigned. The distributor on most models for example has no vacuum advance and no centrifugal advance mechanism: the necessary instructions come from the micro. Spark timing is of course also controlled.

But there are some extrabasic functions in the various new GM models.

For example, the engine in and when power needs change —the result of continuous total monitoring of the situation by e computer Shipley, West York Similarly, the air conditioning 2BN (0274 587411).

make ideas take shape

and the seat positioning can be controlled; in the latter case the computer remembers the desired positions for various drivers.

Several programs are cerned with warm up. For example, a heated grid, ener-gised according to the computer instructions, is placed below the carburettor throttle butterfly to maintain the induction system fuel-air mixture at a precise temperature. The result is cold engine smoothness and emission control during warm up. it is claimed.

In addition to all this, the computer has to deal with the very tough U.S. exhaust emission requirements via a system which GM calls an air injection reactor. Air is supplied exactly as and when needed to exhaust manifold and catalytic convertor and at other times diverted

through the air breather.

Birlt into the software is a diagnostic program; this monitors the engine control system sensors and actuators, memorises any malfunction even if temporary and alerts the driver by means of a tell-tale light on

the instrument panel.

The system will then substitute nominal values for the critical sensors allowing the car to keep going until repairs can be

made. Evidently, motoring in the 1980s is going to be rather different from that in the 1970s. Presumably these extraordinary developments in the U.S. GM models will in due course have their-counterparts in the European companies' production and in any event other manufac-turers will certainly move in the same direction. GEOFFREY CHARLISH

PLASTICS

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For ELECTRICITY SUPPLY COMMISSION CITIBANK, N.A.

THE MANAGEMENT PAGE

The relentless rise of a British conglomerate

Richard Lambert on BTR which, despite the recession, has just reported another surge in profits

THERE are not many companies in Britain like BTR. It has an almost evangelical commitment to growth, which it describes in terms that were familiar during the early 1970s but which most other companies have quietly forgotten. And its expansion over the past decade has given its shares the kind of stockmarket rating and performance which is usually associated with a handful of high-flying electronic businesses

Yet BTR's activities are rooted in manufacturing industry, much of it un-glamorous. Automotive components, like moulded rubber, car carpets, rubber extrusions and weatherseals, account for nearly a fifth of its sales. It is hig in conveyor belts, induse each autumn for trial hose, reinforced plastics budget discussions.

Although it likes to group its businesses under a few coherent headings - materials handling, transportation, energy and engineering there is often little obvious industrial logic in its business structures. Its over-seas activities are only now becoming of major importance in terms of profits, and the old Empire (South Africa and Australia) still looms large

..2. -

GEOFFREY 54

ASTICS

in its overseas portfolio. From this unpromising base, BTR has expanded its pre-tax profits from £2.9m in 1970 to a figure which will not be far short of £70m in 1980. Earnings per share have risen roughly 15 fold over the period. The return on capital—on the basis of relatively up-to-date asset values—is over 28 per

The key to this expansion is a management style which is not particularly original or sophisticated, but which is pursued with a most un-British kind of relentlessness.

the many companies which it executives responsible for three has acquired over the years has grandly-named divisions been that "most of them were not as profit conscious as we and Eastern Hemisphere.
are. They did not understand In practice it has been found

profit, or regard it as an objective in itself."

This approach is evident throughout the group, sometimes in quite trivial ways. For instance, even the small central purchasing department is freated as an individual profit centre. And the group is not a member of the CBI because we didn't feel it was worth the money.'

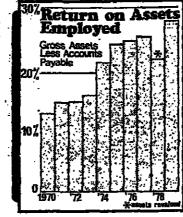
Profit consciousness is instilled by a system of decentralisation into small business units, each with a large measure of profit responsibility. BTR gets detailed monthly figures from some 200 separate profit centres. The management of at least 100 operating units presents itself at head office each autumn for detailed

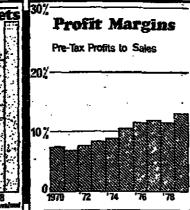
Autonomy

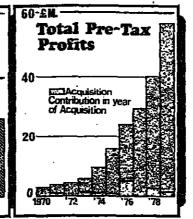
The extent of this decentralican be seen at the group's large rubber moulding factory at Burton. This has annual sales of around £25mdivided among some 14 separate profit centres, which have a high degree of autonomy in areas like marketing and production. All labour negotiations throughout the group are conducted at the local level.

BTR is a line managed operation, in which central staff play a relatively small role. Owen Green believes that it is important for authority and decision making to run through direct rather than dotted lines. "Too often," he says, "people have two bosses: a line manager on the one hand and on the other, a group of experts in various specialised activities who try to override and change decisions that have been made."

BTR, he claims, has a clear At BTR business objectives chain of command — a strong are expressed exclusively in terms of profit. Owen Green, the managing director and chief architect of the group's expansion, says that the main top is himself, with a big black difference between BTR and line running down through the Western Hemisphere, Europe,







that an executive can only handle six or seven direct operation responsibilities effect nesses, each with its own tively. "So we have a system of market in view. market in view.
To take the Burton example big fleas, little fleas, and littler

BTR's ideal is to establish a series of strong positions in what it describes as "niche businesses." These it defines as activities that have a special sector in a large market, or a large share of a specialised market. Either way, the theory is that so long as the customer receives good quality and service, it will be the supplier rather than the customer who dictates the price.

A niche business can be shrinking, flat or expanding. The key thing, in the gospel according to BTR, is to identify the niche and then to set up a special organisation to exploit it—with an identified individual directly responsible for the profits.

·In practice, of course, it is possible to question how many of BTR's great multitude of products fall into this desirable category of business. But in a number of cases it has succeeded in splitting what might

factories into separate busi-

again, cutless bearings and handrails have been identified as separate businesses serving years, particular customers. Tradi- A tional rubber hose has been replaced by high pressure hose for the aircraft industry, manufactured under licence. The general footwear side has concentrated its activities on specialised markets like boots for surgeons and firemen, rather than trying to slug it out in, say, the market for children's

Consistent with its emphasis to gain volume.
BTR does not expect its busi-

nesses to require large lumps of capital spending. It has a distinct aversion to large-scale fixed investments involving long pay back periods, which it believes are both too risky and

According to Norman Ireland.

look like anonymous jobbing the finance director. "The days of heavy spending on the process industry have passed

and he expects that capital spending on plant and equip- acts as be ment should pay for itself activities. within a period of three to five

A good number of BTR's profitable "niches" are mature businesses anyway, and do not require a great deal of new investment. cutless bearings have been in production for over 50 years. Product diversification is also

seen as a virtue, which is just as well since its acquisitions have taken the group into a host of unrelated activities. As a result, it has been able to is helpful to local management offset setbacks in one area with and makes it easier to switch equal parts over its three main geographic regions. At present the UK alone still accounts for roughly half its profits.

> But BTR deliberately steers clear of consumer related activities. Green believes that consumer and industrial activican seldom be mixed satisfactorily within one business. They require a different temperament, he says: one quick and inspirational, other more methodical, and working on products with a much longer life cycle.

For all its emphasis on decentralisation, BTR's central staff play a key role in financial management. The three-year corporate plan is issued from the centre, and so is the annual budget.

In the early summer, thefinance director starts to define in detail the profit objectives of the various units for the following financial year. By the of Worcester Controls had gone acquisitive companies ran into BTR autumn, these have been within six months of the purtrouble. They bought had busipany.

forecasts of the operating units themselves—and they come in for their annual budget presentation. At these occasionally gruel-

ling encounters, the central management's objective is to pin down precisely how much of the change in anticipated profit stems from inflation. volume movements, cost controls or product development Once the reporting period gets

under way, head office in London receives in the first week of each month initial details from about 200 centres, of sales, outstanding orders, cash balances and profits. Within three weeks that has been firmed up with full information on capital spending, man-power, orders, profits and balance sheets. Head office also acts as banker for all the UK

· As well as financial management, the central staff also includes personnel management, a purchasing department for items like rubber or chemicals which can best be bought in bulk, together with staff handling debt collection, property, advertising and legal matters. The head office keeps tabs on about 400 key executives around the group, and grades employees into various job categories. This, Green believes, executives from one activity to

Organic

All in all, there are rather more than a 100 people working at head office-a modest number for a group of BTR's size, with 24,000 employees around the world.

BTR has extracted a good measure of organic growth from its established businesses. Green claims that as much as two-fifths of its present size stems from companies which it already controlled in 1970. But this has not been enough to satisfy its growth ambitions, and there has been a series of ever larger takeovers during the past decade. The latest, Huyck, will cost about \$155m (£62m).

The group generally keeps existing management of acquired companies in place, although this has not always been the case. Around 35 of the U.S. executives top



chase (to be replaced by sig- nesses, over-stretched their nificantly fewer people). Some of the acquisitions have brought headaches. Andre Silentbloc, for instance, produced very poor profit figures after a bitterly-fought takeover battle in 1977. But more often. BTR has been able significantly to increase the profitability of

its acquisitions. Allied Polymer, for instance, was heading downhill fast when BTR made a takeover bid at the end of 1977. Since then its head office has been closed, bringing an annual saving of perhaps £{m. An Australian lossmaker. Driclad,—which had threatened to bring the whole group to its knees—has been sold, and so has a UK consumer products business. Plastic products are being rationalised, and spending on plant and equipment has been increased after years of cash starvation. The balance sheet has been refinanced on much more favourable terms. And the business has been broken down into small, profit responsible units.

In 1976, Allied Polymer made film before tax and a heavy, extraordinary loss. This year, with a very much smaller workforce, it could make over £6m. The company cost BTR under £10m.

BTR is now planning sizeable new investments in Allied Polymer. This is its answer to any suggestion that it is simply interested in maximising shortterm profits by ripping into badly-managed businesses, without too much regard for the long-term consequences. In the 1970s any number of

management, and hit financial difficulties by relying too much on the strength of their share

To the outsider, an obvious risk facing BTR is that its acquisitions are getting bigger, and that one day it will make a real howler. Needness to say, management does not accept this threat. Green points out that as a proportion of its present size, the bid for Huyck is no longer than the acquisition of Miles Redfern in 1971, which

cost under £3m. don't agree that growth gets harder as you get bigger." he says. "The quality of decision making required is no greater -provided that you are able to oversee the organisation in a decentralised way, and that you

get the right people to run it." BTR is not in the business of financial portfolio managementhe adds, but of managing industries which it knows about. And its finances tend to be quite structured. conservatively Shareholders have always been happy to stump up new equity on demand.

How big could BTR become without changing its character? Green does not make fore-casts. But allowing for in-flation and further equity issues, he suggests that by 1990 BTR should be capable of handling annual sales of, say, £5bn and profits of perhaps £500m to £600m a year before tax.

Whether or not this is realistic. the fact that the possibility is discussed at all in the present industrial climate underlines the point that by UK standards, BTR is a most unusual com-

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need money desperately. And, we promise you, not a penny of it will

the pole position "BRUCE THE Goose" very of being the first woman to nearly stole the show recently reach the final stage of the at Cranfield Management programme.

A feather's breadth from

School. The event was the final judging of the presentations in this year's Enterprise and New Ventures Programme which the end of the course several

This year it was Peter Lockett, with ambitious and well presented plans for a computer software distribution business, who emerged in the number one position. In the process he also won £100 presented by the Institute of Lockett had put together a substantial business plan; he is all ready to go and has the necessary financial backing. Though his plans originally involve importing software programmes developed by a Belgian company, he also reckons that his organisation will move on to marketing UK software on the Continent

through the Belgian link, An even more ambitious project, for a cable television company to operate in Rhode Island, in the U.S., came second. Angus Macdonald, an American, was behind this and there was some feeling among the other contestants that chauvinism may have played a part in keeping him from the

pole position.

Macdonald's project is also ready to be launched, having been promised very substantial finance. Significantly, his stay at Cranfield resulted from a desire to improve his management skills and a belief that the sale UK was the best place to gain subst such expertise.

But by what seemed common consent, it was Bruce the Goose who emerged top in the affections of everyone involved in the presentation of the 16 final projects and in the judging. Bruce was a modest sized, locally-bought goose—or, to be precise, gosling-who had been cooked to form the visual centrepiece of a goose farming project presented by a lively Australian, Meredith Cheatley-

Cox.
Not only was it one of the more bizarre enterprises presented over the eight years the ENV programme has been run at Cranfield, but Meredith at Cranfield, but Meredith Cheatley-Cox had the distinction

Though Bruce was of modest size-due to his tender years, but also because of the amount forms a major, though optional, during the cooking—he fitted part of Cranfield's MBA course. the bill in terms of Ms. Cheatley-The programme is designed to Cox's presentation. Her geese. allow participants to prepare she said, would with proper an idea for a small firm in such feeding have more meat, less detail that it can subsequently fat, and would be much better be launched as a business. At value. Last seen clutching Bruce she let it be known that panels of financiers and entre- she had just been promised preneurs assess which are the best projects. enough money to start her goose farm down in the West Country.

According to Malcolm Harper, professor of enterprise development at Cranfield, the pretensions of those attending the courses in the five years he has been in charge, have become more realistic and there are no longer any budding rivals to General Motors.

Based on past experience, he says that between a quarter and a third of those who elect to take the ENV programme will, within six months or a year, be running their projects in more or less the form in which they had put it together at Cranfield. This year, apart from those already mentioned included projects services for small businesses, an export agency to Latin America and do-it-yourself car repair

Another, based · (ideas American concept imported from the U.S. provided the basis of projects), was for a schools fund-raising service based on the sale of magazine subscriptions. The project was put forward by Tony Kaye, who had already had experience of a similar business. It involved his company organising the by schoolchildren of subscriptions to a wide variety of magazines. Kaye's company and the schools would each take commission on the sales

revenue. About 30 companies which began as ideas during Cran-field's ENV programme are still in business today. Last year's winner-a computerhouse register, called Homeline, for people buying and selling properties - has expanded rapidly. The 1978 winners are now trading as Curzon Travel, a travel agency. having got off the ground with financial backing from Yule the international plantations and trading group.

Nicholas Leslie

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The wrong sort of gradualism

BY ANTHONY HARRIS

reaction to its policies. After all, the strategy set out in the test might be the exchange rate; medium term plan published a policy which would have to be a measured and gradual the exchange rate would have one. The PSBR as a proportion of GDP comes down only gradually over the five-year period; the monetary targets are tightened only gradually—and in fact, have not even been achieved, by a wide margin. What, then is squeezing the life

out of the economy?

blame the trade unions. If only to the latest Morgan Grenfell wages were very much lower, Review.) and inflation was very much lower. everything would be as much an Alice in Wonderland lovely, they argue. Certainly strategy as the one the Bank things would in some ways be rather better. Inflation would volume of exports might not be in danger of collapsing (for we have yet to suffer what may be in store here, as manufacturers work through to the end of their existing order books); but I would suggest that we would still be in a pretty severe mess. The fact is that the economy

Dearer oil

The violent event in the real world is the rise in oil prices, and the simultaneous development of our own resources of penditure; if you want to spend oil and gas. This amounts to a more than you produce you violent change in the structure have to borrow. The borrowing of output. As recently as 1976, these resources amounted to called the fiscal balance. only half of one per cent of our national output. This year, the current balance of payfollowing the rise in production ments, then any improvement and the rise in the price, they on oil account must, as a matter

that this year manufacturing which is causing such immense output will be down by about pain, and actually ensuring nine per cent. Roughly speaking, that non-oil activity is being under gradualist policies, we depressed. Industry simply have added only about half of cannot respond to a change oil output to our national equal to 9 per cent of national income; the other half has been income, and more than a a straight substitution of oil for quarter of foreign trade, in just other forms of output.

Now a truly gradualist policy. ruptive. This would have meant much tighter fiscal policy.

BBC 1

† Indicates programme in

black and white

(Ultra high frequency only). 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Trumpton.

for England (except London). 3.55 Play School (as BBC-2 11.00 am). 4.20 Laurel and

Hardy cartoon. 4.25 Puzzle Trail. 4.40 Play Away. 5.05 John Craven's Newsround. 5.15

Trem. 3.53 Regional News

6.40-7.55 am Open University

THE GOVERNMENT must financial policies aimed to offset sometimes be puzzled by the violence of the economic production on the prospects for other industries. One obvious with the last Budget is supposed limited the oil-induced rise in offered a financial cushion.

One way of doing this, for example, might have been to use the proceeds of excessive gilts funding to buy foreign exchange for the reserves rather than to set up a fund to enable the banking system to pawn its Ministers, at a loss, turn and son, and much of what follows,

strategy as the one the Bank has actually pursued—simply a way of undermining a damagbe lower, profits higher, the ing Government strategy by other means. The thing is to get the strategy right; and the starting point here is the balance of payments.

Borrowing

If we have learned one thing through 20 years of crisis, it is being strangled by the surely that the balance of paystrategy. Financial gradualism ments is not set by the appreciation of the joys of exporting or violent real events are taking even by our efficiency; these place. at which we can balance our current account, but not the balance itself. That balance is simply the balance between national output and national exwhich Government controls is

Now if there is no change in will contribute about nine per of arithmetic, be balanced by an equal deterioration on the is only a coincidence, non-oil account. It is this substithough a rather telling one, tution in our trade account

four years. The conclusion is obvious, yet I would argue, would have very hard for most people to aimed to make this adjustment swallow: a truly gradualist more gradual, and thus less dispolicy would have called for a

Sony's challenge to the home movie

applause

mostly used for home movies of animated family groups who laugh without sound and speak without words. However, sound videotape movies are creeping into popularity, using Super 8 mm film with a magnetically striped sound track. But even though a very basic sound outfit of camera, projector and screen can be purchased for as little as £250, the film will cost nearly

Although even one minute of screen time can seem a long while, especially if cinematic creativity is in short supply, it is hardly surprising that home video cameras—with a running cost of under 8p a minuteoffer great attractions to the They also allow tastant replay of the recorded result without the inconvenience and frustration of waiting for film to be processed. The snag with home video is its capital cost, and the bulky equipment and tangle of cables

£2 a minute.

Sony is now hoping to change video recòrder-camera. This development accomplishes the dream the electronics industry has been trying to turn ing unit. There are no cables functions as a playback unit, in

Into one small, lightweight camera-no bigger than a Super 8 mm film camera—Sony has managed to build a tiny cassettes of about the same size as pocket dictation machines. With self-contained batteries and built-in microphone, it is as simple to use as any Super 8 mm camera. The miniature cassette provides 20 minutes' recording time, and undoubtedly will cost substantially less than the 8p a minute of presentday videocassettes.

Despite the huge disparity in running costs, until now home video cameras have posed no serious challenge to Super 8 mm film. Domestic colour video cameras currently sell for about £600; a figure that must be doubled when the price of the recorder is added. At over four times the total of a Super 8 mm sound outfit, home video is hardly a best buy. Moreover, recordings cannot be edited, the equipment really is rather cumbersome and complicated, and the quality may be only just comparable with 8 mm film.

What Sony has now done is all that. Last Friday, at the huge Photokina exhibition in Cologne, the first European remaining disadvantages when third of the size of an average with film projection, but as glimpse was offered of Sony's compared with Super 8mm film. The Sony recorder-camera could become available for about £500, complete with a separate edit-

quality of the picture seen at Friday's Press conference, produced a response that I have ged to build a tiny never known before : over 200 recorder. using hard-bitten, suspicious, unfabout the same size generous audio-visual journalists broke into spontaneous

> One of the secrets of the camera's success is its use of a scene by scene. The "cuts CCD (charge coupled device) in place of the bulky, expensive clean and virtually invisible-

All that is necessary is to connect the output to a domestic colour television set.

Alternatively the output may

be fed into any conventional

can be transferred on to the larger videocassette, from one scene to another are

FILM AND VIDEO

BY JOHN CHITTOCK

and rather unsatisfactory elec- an achievement that until tronic tube employed in conventional television cameras. The CCD chip is ont only extremely compact and lightweight, but it is free of the troublesome image similarly, so that the home "smearing" produced by movie enthusiast will be able "smearing" produced by presentday video cameras seen, for example, when panning

across point sources of light. The separate editing unit is more cheaply. The system is utilised as a control and play-still confined to the image sizes videocassette recorder, it has a special compartment into which the camera neatly fits. The

recorder in the camera now

recently has been possible only through the use of expensive equipment

The sound can be edited to do all that was possible on Super 8mm film, probably much more easily, and certainly much television system compared with film projection, but as equipment improves and viewing habits become more chairbound, this seems of diminish-

ing importance. ng importance. catch on, despite their draw have to wait a few days to see
It is certainly infinitely easier backs. Granada TV Rental has if the result is Chittock-proof.

television set than to get out video cameras for hire on short-the projector, screen and loud-term rental — encouraged by speaker, line-up the image and early results at 21 showrooms is seated before switching off offer since June. videocassette recorder. Thus the lights in the cable-strewn connected, selected shots or room (broken fibulas are an the lights in the cable-strewn attendant risk in home movie

shows). marketing plans for this sent a serious problem. It remarkable system: A possible certainly did for me in Cologne date of 1984 or 1985 is mentioned, but first the company and familiar faces of UK Kodak wishes to prevent a re-run of executives-including chairman the standardisation nightmare Mr. Jim Moorfoot - were the which undoubtedly has ham-first I met when I left the pered progress in the video Sony stand. But they took the business. Thus Sony is lifting the wraps earlier than usual seemed more concerned at my "to establish a co-operative inability to open their foolproof framework for compatibility — Ektralite still camera (perhap not only in the electronic in I was suffering from jet lag?). dustry, but also in the photographic industry." Talks and survive this challenge. Their agreements with other manuexecutives know too much about facturers — before rival and the image recording business to non-compatible systems get too be caught with their darkroom

Attention may be now focused on the Philips' and focused on the Philips' and was it not perhaps rubbing salt JVCs of this world (both of in the wound when Sony decided those companies are thought to have video recorder-cameras). But the 8mm movie business should be the first to worry. The amateur cine business is already depressed and this will only get worse as video systems

THERE ARE about 14m Super into reality for a number of on the camera and it weighs conjunction with the circuitry to push a videocassette into a just announced that more of its only two kilograms. And the and controls in the editing unit. machine and watch it on the showrooms will be offering

When the Sony recorder-camera hits the market, the end of 8 mm movie-making seems inevitable. For film stock manu-Sony is very cautious about facturers Kodak, this must predevelopment philosophically and Ektralife still camera (perhaps

Yet I am sure that Kodak will far developed — are clearly an door open. But exactly how urgent priority for Sony. they will respond remains some thing of a mystery. Meanwhile, for this new system to use videotabe exactly 8 mm wide? I tried to restore the balance later by taking a photograph of Mr. Bill Fulton, Sony UK's managing director, on the new Kodak Ektralite camera. But I

Sir Gordon should be suited

manager, Sir Gordon Richards, colt by Bustino after him but, earned victory at Windsor at sadly, the four-legged Sir the beginning of last week, Gordon has so far done little turns out again in the Jack

reposed in him. However, at least he stays, and the 13-miles of the Beevor Stakes (2.15) at Yarmouth toought to suit him

to justify the confidence

RACING BY DARE WIGAN

All Regions as BBC-1 except

BBC Cymru/Wales—1.45-2.00

Later in the afternoon, Paul Cook who rides Sir Gordon, partners Paleor in the Beccles Maiden Stakes (4.45). Like Sir Gordon, Paleor has not much in the way of finishing speed, but

LADY BEAVERBROOK paid a he too appears to have a com-compliment to her racing paratively simple task. when fifth behind Gelden Elder and Be Better in the Drayton Cleat, who carries a 6 lb Handicap at Goodwood (he was when she named a strapping penalty as a result of a hard- trying to give them 6 lbs and earned victory at Windsor at 9 lbs respectively) so his class the beginning of last week, may carry bim to victory here.

Leader Memorial Challenge Trophy Nursery Handicap

She is a tough filly and with M. Rimmer, who rides her so well claiming the 5 lb allowance, she is sure to go nicely, without perhaps, being able to Handicap (4.00). M. Rimmer, who rides her so well claiming the 5 lb allowcope with Investa who was an easy winner at Leicester last

At Lingfield, Oldstock, follows a three-lengths third to Kampala and Blue Refrain. in the Autobar Victoria Cup at Ascot at the end of April, and has been weighted accordingly. He is set to carry 10 st in the Partridge Stakes (5.00). However, he ran by no means badly

Sule Skerry, who has disappointed her connections twice since winning well at Brighton in July, performed

> LINGFIELD 3.00—Kiss The Clowns 4.00—Sule Skerry* 4.30-Tsar's Bride 5.00-Oldstock

YARMOUTH 2.15—Sir Gordon*** 3.15-Investa

4.15—Alteza Real 4.45—Paleor**

SCOTTISH

SCOTTISH

9.30 am Babel Yamen. 110.05 Feature Film: "Crest of the Wave," starting Gene Kelly. 11.30 Bygones. 12.30 pm The Riordans. 1.20 News and Road and Weather. 12.25 Tuesday Feature: "Offbest," 5.15 What Heppened Next. 5.20 Crossroads. 6.00 Scotland Today. 6.30 What's Your Problem? 6.20 Job Spot. 7.00 Emmerdale Farm. 7.30 Doctor Down Under. 11.45 Late Call. 11.50 Arrivederci Grimethorps. SOUTHERN

9.30 em Sport For All. 110.00
"Light Up the Sky," starring ten Carmichael. 11.30 The Lost Islands, 12.30
pm The Riordans. 1.20 Southern News.
2.25 "Murcheson's Creek." 5.15 The

Hamilton IV, 10.20 Adventure Canada †10.45 Morning Movie—"The Angel Who Pawned Her Harp," starring Diane Who Powned Her Harp," starring Diane Cilento. 1.20 pm North-East News and Lookeround. 12.25 Tuesday Matines—"Terror on a Train," starring Glenn Ford. 5.15 Diff'rent Strokes. 6.00 North-East News 6.02 Crossroads. 6.25 Northern Life. 7.00 Emmerdele Farm. 7.30 Survivel. 10.30 North-East News. 11.30 Next Step Beyond. 12.15 am Things Worth Having.

9.40 am Spiderman. 10.00 Treasures In Store, 10.25 A World Worth Keeping. 10.50 Portrait of the Artist. 11.05 Chopper Squad. 1.20 pm Lunchtime. 2.25 Tuesday Matinee: "Contraband Spain," sterning Richard Greene, Anouk Aimee and Michael Danison. 4.13 Ulster News. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 7.00 Emmerdale Farm. 7.30 Hotspot. 10.29 Ulster Weather. 11.45 Gardening Today. 12.10 am Bedtime.

9.30 am The Coral World. 10.25
Comic Stories. †10.30 The Crazy Gang
in "Okay For Sound." 11.55 The
Bubblies. 12.30 pm The Riordans. 1.20
Calendar News. 2.25 Tuesday Matines:
"In Name Only." 3.45 Calendar Tuesday. 5.15 Life Begins At Forty. 6.00
Calandar (Emley Moor and Balmont
editions). 7.00 Emmerdyle Farm. 7.30
Survival. 11.45 Champion of Champions. 12.15 am Run From The Morning.

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TONT. Thu. Fri. Sat. 7.30: Tomor 2.00.
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2.00. BRYAN MARSHALL TIMOTHE
VIANT AND COUNTY OF TOMORROW
VIANT AND COUNTY OF TOMORROW
PROSELOT AND COUNTY KING
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17 Jan. O'TOOLE IN MACBETH. Directed by Bryan Forbes, TOAD now Biss. 15 Dec. to 17 Jan.

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Sept. 27.

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for Strict Strict Strict Strict Strict
for Joseph Strict Strict Strict
for Joseph Strict Strict
for Joseph Strict
for Joseph Strict
for S PICCADILLY, S. Air cong. 437, 4506, CC. bookings 379 6565, Group bigs. 836 1962. Mon. to Thurs. 8. Fr. 4. 541. 66 8.40, Stalls from \$2.90, ROYAL SHAKESPEARE COMPANY In WITP RISSEL'S FOR COMPANY IN WITP RISSEL'S FOR COMPANY IN GRITAL SECTION OF THE PROPERTY OF THE PROPER

evaluate for matthee performances.

PRINCE OF WALES THEATRE 930 8681,
Credit card bookings 930 0846. An
evening with TOMMY STEELE and his
company. Evgs. Mon., Thurs, 8.30, Fri.
and Sat. 6.00 and 8.30, Book Now.

OUEEN'S. CC. 01-734 1166. Evenings 8.00. Sat. 4.30 and 8.00. Tom Courtenay, Freddie Jones THE DRESSER. The new play by Ronald Harwood. Directed by Michael Elliott. RAYMOND REVUEBAR. CC. 01-734 1593.
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PAUL RAYMOND presents The
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SAVOY THEATRE 01-836 8888. Adv. Box Office now open. John Alderton, Pauline Collins in Charles Dyer's commen, RATTLE OF A SIMPLE MAN. Opens Thurs. at 7.00. Reduced price prevatorisht & tomorrow at 8.00. Subs. Eves bon.-has. at 8.00. Fri. and Sat. \$.45 839 3092. 839 3092.

SAYOY THEATRE. D1-836 8888. CC. 836 8118. Mon-Fri. 710-6). LESTIE PHILLIPS. DIANA COUPLAND, RONA ANDERSON IN NOT NOW DARLING. Mon-Thurs. 8.0D. Fri. sad. Sat. 5.45 and 8.45. Red. price Fri. mat. Group bigs. Tel. 01-839 3092. Last week ends Sat.

E2.00 in advance.

WESTMINSTER THEATRE. D1-834 0263.
HUGH MANNING as. C. S. Lowis in soning of the LION. Opens 25 Sept. 7. pm. 500. eves. 7.45. bm. rmark Thim ARF ODWILY VILLENDER WESTMINSTEE. S. CC. 01-834.0243.
MATS ONLY, From 23 Sept. Mon.Fri. 2.00. Sept. 2.30. MR. WILSERFORCE BMP by ALAN THORNHILL.

WHITEHALL THEATRE 01-930 7785. CC Paul Raymond presents FIONA RICH-MOND and a Bedril of Beauties in WOT! NO PYJAMAS. Eves. 8.30. Fri., Srt. 6.15 & 8.30.

CINEMAS ..

-352.5096. 35 performance bookable. LA CAGE AUX FOLLES (AA). Progs. 30. 6.25. 9.05 FAME (AA) in Dolby stereo. Progs. 90. 5.00: 8.20. MARLEQUIR (X). Frogs. 2.00 5.05. 4: THE SECRET POLICEMAN'S BALL (AA), Progs. 2:30, 5:30, 8.25. Dolby Starro. Progs. 1.40 (Sub. from 2.30) 4.40, 7.45.

CURZON. Curzon Street. W1. 492-3737. Bertrand Tavernier's UNE SEMAINE-DE VACANCES (AA). (English sub-titles. Progs. 2.00 (not Sun.). 4.05. 6.20. 8.40.

OMINION, Toto Court Rd (380 9582) THE EMPIRE STRIKES BACK (U). Cont. Progs. 1.36, 5.35, 7.40. GATE MAYFAIR. 439 2031. MAYFAIR HOTEL. Shratton St. Green Pir. Tube-Advance, bookings THE CONSEQUENCE (K). Pross 5.45, 7.30, 9.45. OBEON HAYMARKET. (930 2738-2771) ROY SCHEIDER In a BOB FOSSE File ALL THAT JAZZ (X). Sep. Progs 1.30 4.40. 8.00: PRINCE CHARLES, Luic. Sc. 437 5161. QUADROPHENA (X), 12.45, 4.45, 8.45 SCUM (X1, 2.55, 6.55, Lts. Show, Frt. & Sat. 10.55 Cont. Dly. Lkd (gr. STUDIO 3, Oxford Circus, 437 3300. 15-6 Ser. THE DEER HUMTER CO. 12.45. 4.05, 7.30, Late Show Sat 10.50.

ART GALLERIES

THE ROYAL ACADEMY OF ARTS, Picca-dilly. W1. The Surlington House Fair ribe Burlington Fine Arts and Antique Dealers' Fair's until 17 Sept. daily 10-7. Inc. Southy. Adm. 5.2 Inc. Assettion. THE PASKER GALLERY, Z. Albemane Street. Piccadity, W1. Exhibition of Oil Martine, Military and Sogridge and Topo-Martine, Military and Sogridge and Topo-

VE has outlived the others because of solicy of fair play and value for most support from 19-3:30 am. Disco and musiciams, glamorous hostessed arch floorshows. 189, Regent St. 734,05

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10 Deserter by a wide margin

mountain tunnel (7)

sensitive (6) 16 Act for each class (7)

circular word game (6)
24 Doorman to entrance with
23 Fast time ought to be slow beer (4. 6)

28 Savings encouraging layer 27 Family railway business (4) 29 Expedition blending oil in

DOWN

2 Certain pub has suspicion (2, 2, 5)

9.25 Fair Stood the Wind for France. 10.25 The Miracle Workers: Germany and

10.55 Invitation to the Dance:

ACROSS

for judge's address (Cornalanus (0, 1)

15 Contact youth leader, over18 Paid scoundrel to adjourn 19 Include company member 20 Clansman with skill in the

kitchen (7)
21 Credit a doctor with

22 Polish expert with black

determined (8) 31 Self-starter always placed by egg-head in stern (6)

3 Tool to handle roughly over pole (4) 5 Ordered to shy (8)

5.55 Nationwide (London and South East only).

Germans.

6.20 Nationwide. Savage—The Man Bronze," starring Ron 8.30 Wildlife on One.

the Basle Theatre Ballet.

F.T. CROSSWORD PUZZLE No. 4,375

1 Feeling seedy in fish shop? 4 Very good kind of report

12 See extract from written evidence (4) evidence (4)

13 Jealousy ends our respect impression (4, 2, 4)

17 A prominent feature in for judge's address (4. 6)

"Dreams." music by Richard Wagner, choreo-graphy by Heinz Spoerli, danced by members of

11.25 Weather/Regional News.

6 What most people do to

7 House unlikely to have a

8 Information a long time reaching classes (6)

14 Appear fit to give a good

getting more pay (8)

25 Rolls into combat ground

Solution to Puzzle No. 4.374

MITHDRAMM CLAMP O R O L A A G A ROAST LATESCENT L I T O U T M T

Sidney's extremities drop off

makes

vulgar fashion (6, 4)

9 Church meeting

fridge (5)

eye (6)

11 Lions MP confounds in

26 Break up card game (4) N. Africa (7) 30 Found the solution again

1 Conference action — from the delegates' hearts? (4, 4)

pm Heads and Tails. 5.15 Bilidowcar. 5.35-5.40 Yr Awt Today. 6.55 Heddiw. 7.15 Gair I Gall. 7.40-8.30 Codename 11.45 Guinness Golden "Erika." 11.25 News and 12.15 Close: "Sit Weather for Wales. Listen," with Lor Fach Fach. 5.55-6.20 Wales Scotland-12.40-12.45 pm The Scottish News. 5.55-6.20 Reporting Scotland. 11.25 News and

Weather for Scotland. Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 10.55 Soccer. The European Cup Winners Cup: Newbort County v Crusaders, 11.35 Grand Opera House: "Gala Re-opening," scenes from Last night's extrava-

ganza at the Belfast Grand Opera House. 12.25 am News and Weather for Northern England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look Northrest (Manchester); Midlands

Today (Birmingham): Points West (Bristol); South Today (Southampton); Spotlight South

West (Plymouth). BBC 2 6.40-7.55 am Open University. 11.00 Play School (as BBC-1 at

3.55 pm). 4.00 pm Music Time for Teachers. 4.50 Open University. 6.55 Sable Island. 7:25 Mid-evening News, includ-

ing sub-titles. 7.35 Roots of England. 8.05 My Music. 8.30 Top Gear. 9.00 Butterflies. 9.30 Twenty-five Years of Not the Nine O'clock News.

10.00 Darts: The Unipart World Team Matcholay. 11.30 Darts (continued).

LONDON 9.30 am South West Australia. 9.45 Plain Speaking. 10.40 Vikings of the Sunrise. 11.30 The White Stone. 12.00 Paper-play. 12.10 pm Pipkins. 12.30 The Sultivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 Here Today. †2.25 Tuesday Matinee: "Non-Stop New York." 345

Food, Wine and Friends. 4.15
The Sooty Show. 4.45
The Square Leopard. 5.15 Emmerdale Farm. 5.45 News. 6.00 Thames News. 6.25 Help!

RADIO 1 (S) Stereophonic broadcast ‡ Medium Wave 5.00 am As Radio 2. 7.00 Dave Lee Travis, 9.32 Simon Bates, 10.32 Andy Peobles. 12.30 pm Newsbest. 12.45 Paul Burnett. 2.32 Simon Bates (part 2), 3.32 Peter Powell. 6.31 Talkabout. 7.31 Mike Read. 10.02 John Pael (S). RADIO 2

RADIO 2
5.00 am News Summary, 5.03 Steve Jones (S). 7.32 Terry Wogan (S). 10.03 Jammy Young (S). 12.03 pm David Hamilton (S). 2.03 Ed Stewart's Request Show (S). 4.03 Much More Music with Jean Chellis (S). 6.03 John Dunn (S). 8.02 Hooray For Hollywood. 9.02 Glemorous Nights (S). 9.55 Sports Dask. 10.02 Windsor Davies Presents . The Multi-National Eisteddfod Show. 10.30 Those Magical Movie Musicals: "Seven Brides for Seven Brothers." 11.02 Petèr Clayton with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music (S). RADIO 3

\$8.55 am Weather. 7.00 Naws. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This

7.00 Charlie's Angels. 8.00 Cooper's Half Hour. 8.30 Arthur Mysterious World. 9.00 Born and Bred.

Clarke's

11.45 Guinness Golden Darts. 12.15 Close: "Sit Up and Listen," with Lord George Brown. All IBA Regions as London except at the following times:-ANGLIA

9.35 am Who's Airaid of Opera?
10.00 Tuesday Morning Film: "Quartet." 12.30 pm The Riodans. 1.20
Anglia News. 2.25 Poetry of Landscape. 2.45 Chopper Squad. 6.00
About Anglia. 7.00 B.J. and the Bear.
10.30 The Primodos Affair. 11.45 Island. 12.40 am Minor A I V
9.55 am Sailaway. 10.15 Morning Cinema: "Fire Down Below." starring Rita Hayworth, Robert Mitchum and Jack Lemmon. 12.30 pm The Riordans. 1.20 ATV News. 2.25 The Tuesday Movie: "Offbeat." 5.15 Survival. 6.00 ATV Today with ATV News. 6.05 Crossroads. 6.30 ATV Today. 7.00 Emmerdale Farm. 7.30 England, Their England. 11.45 ATV News. 11.50 Baretta.

BORDER 9.35 am Who's Alraid of Opera.
10.00 Treasures in Store. 10.25 World Worth Keeping. 10.50 Portrait of the Artist. 11.05 Tarzan. 1.20 pm Border News. 2.25 Tuesday Matinee: "Hey. I'm Alive." 5.15 Survival. 6.00 Lookaround Tuesday. 7.00 Emmerdale

around Tuesday. 7.00 Emmerdale Farm, 7.30 Love Thy Neighbour. 11.45 Kaz. 12.40 am Border News Summary. Kaz. 12.40 am Border News Summary.

CHANNEL

12.30 pm The Riordens. 1.20 Channel
Lunchtime News; What's On Where and
Weather. 2.25 TV Movie: "A Summer
Without Boys." 5.15 Doctor Down
Under. 6.50 Channel Report. 7.00 Dartmoor. 7.30 Plymouth Rock. 10.28
Channel Late News. 11.45 Paris. 12.40
am Commentaires et Previsions
Meteorologiques.

(CRAMPIAN)

GRAMPIAN GRAMPIAN

9.25 am First Thing, 9.30 The Human
Face of Chine. 10.00 Treasures in
Store. 10.25 A World Worth Keeping.
10.50 Portrait of the Artist. 11.05
Chapper Squad, 12.30 pm The Riordans.
1.20 North News. 6.00 North Tonight.
7.00 The Electric Theatre Show. 7.30
Doctor Down Under. 11.45 Reflections.
11.50 Wilderness Alive. 12.45 North
Headlines.

GRANADA GRANADA

9.30 am The Flintstones, 110.00
"Target for Tonight." 10.45 Cartoon
Time. 11.00 Sesame Street. 12.30 pm
The Riordans, 1.20 Granada Reports.
2.25 Tuesday Matinee: Barbers Eden in
"How to Break up a Happy Divorce."
5.15 Different Strokes. 6.00 Granada
Reports. 6.30 This is Your Right. 7.00
Emmerdale Farm. 7.30 Doctor Down
Under. 11.45 The New Avengers.

HTTV HTV

Week's Composers: The Stamitz Family (S). 9.55 Jessye Norman song recital, part 1 (S). 10.50 Interval Reading. 10.55 Recital, part 2. 11.40 London Saxophone Quartet (S). 12.10 DOT CARLIFE Middles Recomposer 1 (S) rectal, part 1 (S). 10.50 Interview Reading. 10.55 Recital, part 2. 11.40 London Saxophone Quartet (S). 12.10 pm Cardiff Midday Prom., part 1 (S). 1.00 News, 1.05 Six Continents. 1.25 Midday Prom. part 2 (S). 2.05 Amold Bax songs (S). 3.10 Two For One (S). 3.50 Rubbra recital (S). 4.25 Jazz Today: Charles Fox with records (S). 4.55 News. 5.00 Mainly For Pleasure (S). (‡ and mone only from 5.20.) 7.00 The English Ayre (S). 7.30 Royal Liverpool Philiharmonic Orchastra concert, part 1 (S). 8.20 Geoffrey Bush (autobiodraphica) talk by the composer). 8.40 Concert. part 2 (S). 9.25 Doctor Fischer of Geneva by Graham Greene. 9.45 Mozert (S). 10.00 Music in Our Time (S). 11.00 News. 11.05-11.15 Delius (S).
VHF ONLY—Open University 6.00-7.00 am and 6.20-7.00 pm; and for sudents in Radio Scotland and Radio Cymru srees only: 12.00-1.00 am.

RADIO 4 6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping Forecast. 6.30 Today, including 6.45 Prayer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News Headlines. 7.45 Thought for

i,15 Cartoontime. 5.20 Crossroads.
i.00 Report West. 6.30 Definition.
r,00 Emmerdale Farm. 7.30 Doctor
Down Under. 10.28 HTV News.
HTV Cymru/Wales—As HTV West/
HTV General Service except: 12.0012.10 pm Ffalabalam. 4.15-4.45 12.10 pm Fialabalam. 4.15-4.5 Sbardun. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.30-11.40 Fialmiau'r 70au.

Undersea Adventures of Ceptain Namo.
5.20 Crossroads. 6.00 Day By Day.
7.00 Emmerdate Ferm. 7.30 Three's
Company. 11.45 New Avengers. Company. 11.45 New Aven 9.20 am The Good Word Tollowed by North-East News Headlines, 9.30 The History of the Motor Car, 10.00 George Hamilton IV, 10.20 Adventure Canads, 10.45 Morning Movie—"The Angel

ULSTER

WESTWARD

10.00 am Treasures In Store. 10.25
World Worth Keeping. 10.50 Portreit
of the Artist. 11.05 Chopper Squad.
12.30 pm The Riordsns. 1.20 Westward
News Headlines. 2.25 TV Movie: "A
Summer Without Boys." 5.12 Gus
Honeybun's Birthdays. 5.15 Doctor
Down Under. 6.00 Westward Diary.
7.00 Dartmoor. 7.30 Plymouth Rock.
10.31 Westward Late News. 11.45 Paris.
12.40 am Faith For Life. 12.45 West
Country weather, shipping forecast.
YORKSHIRE

9.30 am The Coral World. 10.25

rinencial World Tonight 11.35 The Claudio Arrau (piano) plays Beethovan. Schubert, Schumann, Liezt. 12.00 News.

ENTERTAINMENT GUIDE

OPERA & BALLET COVENT GARDEN. 240 1056. S. (Gardencharge CC 836 5903). THE ROYAL OPERA. DER RING DES NISELLINGEN. Fr. S.30 Sleptriad. No read Amphi seers avail. on day for Aing SADLER'S WELL'S THEATRE EC1. Bkg Office 837 1672-3856-7505 CARACALIA BANCE. Opens Tonigh 8.00. Sub. Evgs. 7.30. Mat. Szt. 2.30. THEATRES

APOLLO VICTORIA. Tel 01-828 5491. 834 2819. Egs. 8.00 pm. Last 6 days SHIRLEY BASSEY. A few seats available Standing room tickets \$3.00.

CHICKESTER FESTIVAL THEATRE, 0243
781 1312. Sean soonsored by Mertin &
Rossi Umitted, OLD HEADS & YOUNG
HEARTS. Today, Wed. Thers. (m). Set.
(m & e). MUCH ADO ABOUT NOTHING
Tomor. Thur. Frl.

DIICHESS TO. CC. 01-836 8243. Grounds 179 6051. EVEX 8.00. SEL 5.30 8.35. Thurs. Mat. 3.00 MARIA AITKE BLOCK TOWN IN Noci COWARD PRIVATE: LIVES. DUKE OF YORK'S. S. CC. 836 5122.
Red. urke press from tomor. Eves. 8.0.
Sat. 5.30. 8.30. OPENS Sept. 23 at 7.0.
Subs. reve. E.O. Fri. & Sat. 5.30. 8.30.
FRANCES de la TOUR. DAVID de
KEYSER in DUET FOR ONE by Tom
Kempinski, FORTUNE. S. CC. 01-836 2238. Eves. 7.30. Wed. 2.30. Set. 4.00 and 8.00. Last Wack of DR. FAUSTUS with James Aubrey. SEASON MUST END SATURDAY.

WESTWARD

ADELPHI. CC. 01-836 7611. Evgs. at 7-30 Sat. 4-00 & 7-45. Mats. Thurs. at 3-00. TONY BRITTON. LIZ ROBERTSON, and PETER BAYLISS In MY FAIR LADY Anna Neagle returns Sept. 24. Group bookings ring 01-836 7358 or 01-379 6761

RECORD RUN ENDS SAT.

ALBERY. From 26 Sept. Eves 8.00. Thurs.
mat. 4.30. Sat. 5.00 & 8.15. Shan
Phillips, Denis Lawson. Half Moon Production Rodgers and Harr's PAL JOEY.

ALDWYCH. S. B36 6404. CC. 379 6233.
110-5, Sats. 10.4). Infn 835 5332 Folly
air conditioned. ROYAL SHAKESPEARE
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4 7.301. RSC also at The Warehouse and
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CAMBRIDGE 01.836 5056. Credit cards accepted 07.836 7040. Mon.-Fri. 8.00. Thurs. 1.01. 5at. 5.00 and 8.30. FINAL WEEK MUST. END \$4.00. FINAL WEEK MUST. END \$4.00. FINAL WEEK MUST. LACQUIE 10. THE COLLIN BEINNETT. LYNETTE BENTLEY. Anti-inflation policyl Sents at £1.50. £2.50 £4.00 in stalls and Royal Circle. Group sales 379 5061 & 836 6056. Students. Nurses. 0.APS Standby £1.50. JOAN COLLINS HOTLINE. 24.5679. West End debut Oct 21. Book Now

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5.0 and 8.0. (Opens Sept. 24 at 7.0.)
Red. price prevs. from Thurs. CC.
LANE as COLLETTE with Kenneth Nelson
and John Moffatt A story with music
by John Dankworth. CRITERION, 930 3216. CC. 379 6565.
Group bkrgs, 379 6061 or 835 3982.
Eves. 8.00. Fri. Sat. 6 & 8.45. Arconditioning. Robin Ray. Jonathan Adams. Marrin Connor. Rricia George in TOMFOOLERY. the words and music and lyrics of 70M LEMBER.

thowan, answers your questions. 10.00 Naws. 10.02 Medicine Now. 10.30 Daily Service (S), 10.45 Story Time. 11.00 Naws. 11.05 Thirty-Minute Theatre. 11.35 Wildilie, 12.00 Naws. 12.02 pm You and Yours. 12.20 Down Your Way visits Orlord in Suffolk. 12.55 Weather; programme naws. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping Forecast. 2.00 Naws. 2.02 Woman's Hour. 3.00 Naws. 3.02 Listen With Mother. 3.15 The Golden Bowl by Henry James (S). 4.10 Ongins. 4.40 Announcements. 4.45 Short Story. 5.00 PM. Naws magazins, 5.50 Shipping Forecast. 5.55 Weather; programme naws. 6.00 Naws. 7.05 The Archers. 7.20 A Victorian Music-Hall (S), Part 1. 8.25 Odyssey. 9.10 in Touch. 9.30 Kafaidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 Max Wall' at the Royal Court (S), pert 2 of a benefit evening racorded at the Royal Court Theatre. 11.00 A Book at Bedtims. 11.15 The Financial World Tonight. 11.30 Claudio Array (piano) plays Beethovan, Schulber Schulber Settlemann Liest 12.00

PORTUNE. 01-836 2238. Prev. from 25 S-pt. 8.0. Sats. 6.0 & 9.0. Opens Sept. 30. EDWARD DUKE in JEEVES TAKES CMARGE by P. G. WODEHOUSE. STRAND. 01-836 260. Evening 8.00.
Mat. Thurs. 3.00. Sat. 5.30 and 8.30.
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Sub evps 8.0. Mat Sats 2.30. Time And
THE CONWAYS by J. B. Priestley. HAYMARKET, They J. B. Friendey.
HAYMARKET, They I. CC 01-930
9832. Evgs. 7.45. Wold. 7.30. Set. 4.30
and 8.00. LEONARD ROSSITER.
PRUNELLA SCALES IN MICHAEL
FRAYNE'S MAKE AND BREAK
Directed by MICHAEL BLAKEMORE. JENETTA COCHRANS. 01-242 7040. National Youth Theatre in THE WINTERS TALE LAST WEEK. Evs. 7.00. Mats. 2.20. Mats 2.70.

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LYRIC. S. CC. D1-437 3686. Evenings B.Q. Wed. 3.0. Sat. 5.30 & 8.30. DINSDAL LANDEN, NICOLA PAGETIN ALAN AYCKBOURN'S TAKING STEPS.

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THE ARTS

Old Vic-

THEATER

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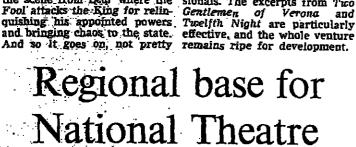
by ANTONY THORNCROFT

"Full fathom five"; Danse Macabre. etc. performed delicately on the lute to the accompaniment Martin Best's divertissement is an attempt to score Shakespeare as a dramatic symptony, a symphony on the lines of Mahler rather than Mozart.

The starting point is finelinking Shakespeare's obsession fact that they represent "planet with harmony in the body music." but what might be politic with the harmony of the acceptable in a studio producspheres and the harmony or misic, an acceptable 16th century theme and one often evoked in the plays. So after a few quotations, the key being representing "earthly music," the man that hath no music the latter "heavenly." It all with concord of sweet sounds, works best as scenes from Is fit for treasons. " we have Shakespeare by the profesthe scene from Lear where the scene from Lear where the Fool attacks the King for relin
Gentlemen of Verona and

Ariel, Shakespeare's Sweet lute melodice but dramatic ower and Music, which tableaux, ascending movements received its British premiere at . of a turbulent musical score. the Old Vic on Sunday, sounds . The ghost scene from Hamlet is predictable enough: those given Misterioso con moto while famous lyrics—"Where the bee from Julius Caesar comes the

It is a pretentious idea which works surprising well, though of scenes from some of Shake not always in this particular speare's lighter comedies production. The four actors — Sebastian Shaw, John Woodnot at all like that. Developed vine, Ann Firbank and John in the U.S., for an affiliate of Nettles — steeped in the Shake-the Association for Creative spearian tradition do their bit Theatre, Education and stoutly, but the addition of a Research, it is a much more chorus of eight young actors portentous event, no less than (?), singers (?), be jeaned and cross-legged on the edge of the stage, who occasionally make dolphin-like noises and once crawl across the boards as if searching for a pin, add little. The programme discloses the acceptable in a studio produc-



The National Theatre has -it seats 615 with another 250 acquired a regional base, the in the gallery—makes it a diffi-Theatre Royal in Bath, to act cult financial proposition. as the centre for its intensified although in the past 18 months, touring policy. In 1982 it hopes during which it has been run to use the theatre for the launch as a charitable trust, the comof medium-sized productions which will subsequently move to the Lyttelton and Cottesloe and to provincial theatres.

the success of a £2.5m appeal support for National Theatre launched yesterday by the Theatre Royal to raise money Theatre Royal to raise money idea is very much in line with to improve its antiquated back its aim of identifying a national stage and front-of-house facilities. The stage improvements will be designed to the ENO in Leeds; the WNO at National's requirements and are Birmingham and now the Royal a major reason for the link Opera at Manchester are between the two theatres. The Arts Council has promised theatres by helping financially £400,000 towards the appeal and touring companies to visit them. the local council is expected to contribute another £400,000

opened in 1805 and restored, two productions a year at the after a fire, in 1862. The re-Theatre Royal and also to sidered to be one of the most perform there during the annual intimate and attractive theatres Bath Festival. in the country. Its very intimacy

financial proposition, mercial situation has improved, with attendances up 27 per cent

this year.

If the plans reach fruition This new policy depends on the Arts Council will double its touring to £400,000 a year. The company with a regional centre—the RSC at Newcastle; the and supporting local

Sir Peter Hall, director of the National Theatre, said in Bath The Theatre Royal was yesterday that he hoped to open will attempt to re-create the social comedy in its drama. He Regency look in what is con-would also like the National to

Prix Italia

by CHRIS DUNKLEY

quality television has been category. ITV has now won it sustained and burnished here by three times in recent years, the the awarding of the Prix Italia South Bank Show also winning for music to London Weekend last year.

Television for the South Bank The "special" (actually Show profile of Benjamin second) prize was awarded to Britten, A Time There Was. Germany's Elegies on the Deaths Britten, A Time There Was.

Tony Palmer, uses reminiscence, was produced by ZDF Television, archive film, interviews, and but directed by British freelance music to explore the life and Christopher Nupen. work of the composer. It won the prize of SwFr 18,000 against competition from 20 other programmes submitted by 17 countries, including France,

other nation in the 32-year regarded as the earliest known history of the festival is collector of printed ephemera. strengthened still further. The The annual award has been prize also enhances the ITV made possible through the aid claim to making better music of Wiggins Teape.

Britain's unrivalled reputation programmes than the BBC, among the world's producers of which has never won this

The programme, directed by of Three Spanish Poets, which

Ephemera award

The first annual award of the Germany, Italy, America, Russia, Ephemera Society's Samuel Poland and Hungary. Pepys Medal has gone to Marcus The award means that Allen McCorison director and Britain's record of winning librarian of the American more Italia prizes than any Antiquarian Society. Pepys is

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Kennington's "Back to Billets" (left) and "Sgt. Eriksen"

Imperial War Museum

Eric Kennington by David Piper

unease, almost as if a bird more in store. driven toward the butts. Twin barrels of a huge naval gun exhibition (until September 28) confront him with a mute but an artist who was involved in It has something of the concenpossibly loaded welcome. Provincials who come to the metropolis bent on art-and indeed suspect many art-loving Londoners-are prone to neglect this museum, lurking, as it seems to on the map, in the hinterland of the south bank (though in fact as accessible by Tube as the Tate). And the crowd-catching element is of course the museum's prime subject matter, war and the bric-abrac of 20th-century war: weapons, uniforms, medals, the glory and the pity of two great strength of his first war work found a resting place at St. global holocausts. You will find must derive. At his best, espe- Martin's, Wareham, is not only glory and the pity of two great old men with memories in this cially in some of the drawings in Arab gear, but must be one novations are to the plans of exploit the connection between museum, and small boys for shown in this exhibition, his of the very few such memorial museum, and small boys for shown in this exhibition, his of the very few such memorial museum, and small boys for shown in this exhibition, his of the very few such memorial museum, and small boys for shown in this exhibition, his of the very few such memorial whom 1945 is as remote as portrayals of men shaped by efficient to have been made since architect in the theatre, and with the English talent for Arthurian legend. But the the rigour of war, pared to the 1918 (Kennington had planned picture galleries begin once essence, answer worthily the a book on medieval effigies and again to attract a different austere passion that found brasses together with Lawrence interest, visitors interested in art expression in the greatest of before the latter's death). The as much as if not more than in the war poets, Wilfrid Owen, statue of Thomas Hardy at the specific range of subject rather than in the sincere yet Dorchester - Hardy in old age matter of the art shown here, somehow indulgent heroics of seated high on a pedestal but though at its best the two are Rupert Brooke's famous son-comfortably in knickbockers of course inextricable. In fact, nets. There is here an hallumust be the latest (and last?) some of the best British some of the best two figure seen from within the poet to be elected in figurative painting of two figure seen from within the poet to be elected in figurative painting of two figure seen from the entrance steps above here, but his sculpture generative many did not sustain the an achievement sparked by the imaginative creation of the grade of Official War Artist in bad thing once in a while to place to a sacramental level. At for the recent neglect of his have a common theme imposed this stage, Kennington was work is an undeniable dilution on an exhibition of markedly using soft chalk and pastel, of his imaginative powers in his divergent styles. Here Sargent's almost paradoxically, almost to later work: inflation, almost. huge Gassed (much underrated carve the planes of a face on still) offers an extraordinary to paper as if by a chisel on to Kennington obviously missed transposition of the High stone. His use of pastel was that direct, involved contact Victorian "processional" theme, original, in the highlights with the ordinary rank and file so loved by artists like Leighton. into "recessional," draped or garlanded maidens replaced by the frieze of blindfold soldiers in khaki, stumbling in line, each man with a hand on the explosion. The modelling an inner justification, and the shoulder of the man in front though always suggests the simplification of his modelling Contrast that with Wyndham sculptor, and when Kennington leads to heroics that can re-Lewis at his most effective came, in the '20s to war semble the glamour of Holly-with soldiers articulated like memorial commissions, the wood and technicolor. There is There is Paul Nash, Nevinson,

The visitor approaching the distillations of landscapes, the Battersea Memorial to the life, is of a fascinating subtlety, portico of the Imperial War incandescent as the heart of a 24th Division presents three Museum, a building that once fire, and many less well known standing figures, compressed, housed Bedlam, hospital for the artists of a quality demanding insane, may well feel some reassessment. And thousands

For the current temporary both wars has been taken out tration, the arresting awkward and given solo space: Eric Ken-nington, who died in 1960. He group of the porphyry Tetrarchs was well enough known by the end of the first war, and then, in the "interval," to his widest audience perhaps by his illu-holdings, focusses of course on strations for T. E. Lawrence's Kennington as war artist, and Seven Pillars. In 1914-15 he so his sculpture and his oil had served in the infantry in portraits are not fully reprethe ranks, and to his direct, sented. In fact he achieved involved and very first hand some remarkable "lasts" (as experience of the fortitude and distinct from "firsts"). His suffering of the ordinary soldier recumbent effigy of Lawrence, much of the immediacy and the that after some vicissitudes cinatory contre-jour study of a lifesize statue of a contemporary to those inside. The cup bearer: erally did not sustain the without any histrionics, it lifts essential simplicity achieved 1914/18 and 1939/45. It is no the most mundane common- earlier, and one of the reasons

almost welded into one another. An image that conveys a stubborn patience, a formidable confrontation with the unknown, the loneliness of death and yet also a great sense of solidarity. clutched together, at Venice.

The exhibition, drawn entirely from the Museum's own holdings, focusses of course on

In the Second World War, sometimes suggesting light of the armed forces in action. itself had taken substance on a Portrait studies of top brass cheekbone like a powdering of there are, but the habit of drawsnow, at others suggesting more ing his heads over life size tends a mortal dust settling after an to become a mannerism lacking mechanical ants or mantis. results though variable were at a pastel of a young Norwegian their best of moving and expres- pilot in 1942, radiant, almost William Roberts. From the sive gravity. They are shown fluorescent with a quite impossecond war: Moors with shelter here mainly by photography, sible blonde beauty. On the drawings and welsh miners; but there are also two other hand, the head of Lord Sutherland with those tiny maquettes. The bronze one for Halifax in 1940, larger than

Wigmore Hall

Elly Ameling by Andrew CLEMENTS

Ameling's voice—clean and point for her performances. Characterisation must be superment there are many fine interbetween blandness and serenity,

the Wigmore Hall on Sunday Miss Ameling contrived to keep to the more desirable sides of these divides. Her pianist was Rudolf Jansen, equally careful, equally balanced, occasionally lapsing into the prosaic; failing for instance, to make the most of the postludes to Schumann's Liederkreis Op. 39 (the Eichendorff settings). Miss Ameling sang much of that cycle simply and effortlessly: art disguising art for once seemed an appropriate description. Occasionally fic and Cultural Development. critical examination of the first an odd stress surprised, as A first edition of this work was edition. They have begun to though the effort to make the prepared under Unesco auspices work out their criticisms and most of the rhyming patterns in the fifties and sixties by a suggestions and send them to had been overdone; in some first international commission the commission which will now also—in "Intermezzo" "Mondnacht" - the tempo

eemed unduly stately.

smooth throughout the range, Schoenberg's Cabaret Songs as lacking any disfiguring tics-is encore as well. The voice is of how to weight a phrase. necessarily only the starting not quite appropriate for such ripely romantic effusions as these, though Berg's taste in imposed; colouring acquired. late 19th-century German poets From such superb basic equip- was refined; the occasional spread of tone (even a momenpretations to be wrought, but tary loss of control at the close equally the dividing lines of "Die Nachtigall") and expressive bulge suggested slight archness and sophistication, are uncertainty. But everything a Dutch lady singing Spanish hin indeed. else was in its place, immacu-songs; the assumption was
For almost all of her recital in lately phrased and articulated: totally convincing.

The neutral quality of Elly perhaps unfamiliar Ameling the line "Weites Wunderland meling's voice—clean and territory—she included one of ist aufgetan" in the first song "Nacht" was a textbook example

Yet there were still surprises. A group of four Spanish songs, by Granados, Guastavino (the marvellous La rosa y el sauce") and Turina, brought forth sharp, vivid images, complete involvement in apparently foreign worlds of expression. Miss Ameling did not seem like

New edition of 'History of Mankind'

Carneiro and aided by 1,140

Twenty-eight eminent his-Following a call for a new torians, scientists and cultural edition by the 1978 general conexperts representing all the ference of Unesco the directorregions of the world have been general set up a second commismeeting at Unesco's Paris head-sion, again headed by Professor quarters to set under way a Carneiro. Since last year, it has large-scale project: a new, re- been aided by 120 specialists vised and expanded edition of from all regions of the world the History of Mankind, Scienti- whose task was to make a (wound-up in 1969) headed by decide what changes and correcthe otherwise sublime Professor Paulo E. de Berredo tions should be made as well as the priority to give to new eemed unduly stately.

Specialists which spent nearly themes and new volumes of the Berg's Seven Early Songs are 20 years on the task.

conveying very movingly in its shadowings the decent, responsible, repressed angst of that harassed statesman in the baffling opening stages of the war. It is, though, to the haunting images of the First World War that the visitor will return. The drawing of Morris Clifford Thomas in Tin Hat (a study for one of the heads in the Battersea Memorial) is a triumph of compression and strength. There are also some landscape studies in pastel, one of 1918 ancestors of Nissen huts in snow, of unexpected delicacy, but it is the men that matter. In comparison with Kennington's best work of this period, that of most other war artists, however brilliant

37th Settimana musicale

The Accademia Chigianafirst the private creation of down. The performance was Count Guido Chigi Saracini, then after his death a Foundation, since 1961—has never had a great deal of money; and its mudity was, in fact, gratuitous, annual festival, the Settimana and characteristic of the whole a great deal of money; and its musicale senese, has always staging, which had a random, been known as much for its unfocused quality. There are ingenuity and economy as for a number of indications of how its musical excellence. Associated with the summer courses in its day (including the preface has been able to exploit the presence of distinguished ignore them. In the drama teachers and, at the same time, there is one scene where nudity presence of distinguished put the most gifted students to

was able to feature the planist Bruno Canino (in a programme of John Cage works for prepared piano), as well as the violinist Salvatore Accardo, the violists Bruno Giuranna and Piero Farulli, and the cellist Alain Meunier. A concert entitled "Chigiana novità" included a series of world premieres, among them a piece Berio (who has a summer house in the province of Siena).

Traditionally, the Settimana mounts at least one stage work. intervals. In the past there have been memorable performances of operas by Haydn. Gluck, Vivaldi, Rossini, Inevitably, with steeply rising costs, these productions to arrange within the Chigiana's budget. And so, in the staging of this year's production of Emilio de' Cavalieri's Rappresentazione di Anima e di Corpo, there was some evidence of economy. There was also, unfortunately, considerable evidence of want of inspiration.

The production was under the Bussottiopera-ballet, an the composer-designer-director The group's—and its founder's greater than their talents.

at painting, seems wide of the heart of the matter, missing the essence of the human drama.

Sienese gossip—the Bishop got fortable as the Guardian Angel, wind of Bussotti's production but sang persuasively.

Plans, which included a good WHLIAM WEAVER essence of the human drama. plans, which included a good

deal of nudity, and put his foot shifted to the secular Teatro dei Rinnuovati.

The Bishop was right, the Cavalieri work was staged the Accademia, the festival to the first printed edition, also in 1600); but Bussotti chose to is required; the two emblematic characters, World and Wordly The 37th Settimana senese, Life are stripped, to reveal, be-which ended last weekend, thus neath their sumptuous exteriors, horror and death. Here, Bussotti confined himself to removing World's cloak and Worldly Life's head-dress. No revelation, therefore, and no coup de scène.

After the Prologue, spoken in a gabbled sing-song by a couple petulant actors, the production consisted mostly of singers in elaborate, tinselly costumes premieres, among them a piece (by Bussotti), standing still and by the Accademia's professor singing, while mimes and of composition Franco Dona-dancers minced and posed and toni. And there were also some pranced around the rest of the distinguished guests: Leonid stage to no visible purpose or Kogan, Pierre Boulez, Luciano pattern. Behind them some inapposite painted drops by Tono Zancanaro (Bussotti's uncle) were unfolded or rolled up at

And yet the Rappresentatione di Anima e di Corpo (as the old Deutsche Grammophon recording proved) is a fascinating work, so fascinating that even become more and more difficult this absurd presentation could not totally vitiate its effect. The Gruppo Recitar Cantando, an assembly of players of old instruments, conducted from the hapsichord by Fausto Razzi, played well; and even though Razzi's tempos were of an unrelieved stateliness, musically the performance flowed. Piero Cavalli's Madrigal Studio chorus -seated to the right of the stage banner of the group called —also sang with an admirable accuracy and expressive range. purpose group assembled by Many of the vocal soloists were the composer-designer-director also on a high level, in particu-Sylvano Bussotti, largely for the lar the soprano Cecilia Valdepresentation of his own works. nassi (as the serenely triumphant Soul) and the contraito

pretentions are, sad to say, far Gloria Banditelli as Intellect. Among the men, the always-Originally, Bussotti wanted to reliable Ugo Trama used his present Cavalieri's work in a dark, bass voice with skill and church (after all, its original style in a series of parts: Time, production, in 1600, has been in World, and Damned Soul; while the Oratorio of Saint Philip Neri the counter-tenor Richard in Rome); but—according to Berkeley-Dennis looked uncom-

A FINANCIAL TIMES SURVEY

MIDDLE EAST OIL AND GAS

OCTOBER 30 1980

The Financial Times proposes to publish a survey on Middle East Oil and Gas in its edition of October 30. The provisional editorial synopsis is set out below:

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Tuesday September 16 1980

The imported recession

IN THE LAST two years real personal incomes have risen more rapidly than at any time since the 1971-73 recovery; yet at an annual rate of more than 5 per cent, we are on this occasion entering what could well prove the severest recession since the war. The output figures published yesterday confirmed that, in the second quarter, industrial output was 51 per cent lower than the average for 1979, and still falling quite rapidly in July. In the 1975 recession, the trough was 7 per cent below the

previous year. For output apart from oil, of course, the picture is even worse. Manufacturing is already 7 per cent below last year's average, and well below its 1975 trough; for all non-oil activity, the level is about the same as the worst in the previous recession, with a further fall in July, and much evidence to suggest a still worse performance subsequently.

Retail sales

tomed, in the post-Keynes era, the UK became a major oil-to think of the productive producer. For more than two economy as being driven by the years now, under Chancellors level of demand that this of both parties, the British enormous divergence between incomes, spending and cutput is the monetary results of exceshard to grasp. Part of the ex- sive public sector borrowing planation lies in changed with high interest rates. The behaviour; real consumer attempt has been unsuccessful. behaviour; real consumers but the high interest rates have spending on all goods and but the high interest rates have spending on all goods and but the high interest rates have spending on all goods and but the high interest rates have spending fell sharply yesterday the spending fell sharply yesterday assemble cut in inalso been a strong response to on talk of a possible cut in inthe sharp changes in relative terest rates and of over-supply prices; spending in the shops, as in the oil market. The pincer opposed to spending on housing. transport and so on, has been stagnant for two years, as new figuers again confirmed yester-

this changed However. behaviour ise not itself enough to explain what has happened to output. Over the last two years, real consumer spending has risen by 6 per cent, and retail sales have held steady; yet total output has fallen 3 per cent, and non-oil output 6 per cent. It is this divergence strategy is required. Consumers which remains to be explained cannot be compelled to continue

provided the means of payment of imports.

However, this is not the while in the earlier period in-dustrial production was rising account was in quite strong at an annual rate of more than surplus in 1978, despite the need to find £2bn to pay for net oil imports. For the last two months it has been in surplus again—this time with a small positive contribution from oil; if this were a reliable trend, one might conclude that we have simply used our oil to pay for greatly enhanced imports of other things. international political power play as it does today over the question of whether or not the

Unfortunately the truth is probably worse than this. Imports have recently been depressed by the recession in home sales, and efforts to reduce stocks. Exports are probably above their trend level, as exporters work through their order books. It still seems likely that as official forecasts have suggested, the underlying balance of payments has deteriorated sharply, despite the oil bonus.

This underlying deterioration suggests how far mismanagement of the economy has intenindustry was bound to suffer as stance has been to try to offset movement which is squeezing industry could hardly be more reatly summarised.

Strategy review

The Government must, of seek some clear evidence that the recession is reducing the pressures of money expansion before rates can be cut without undermining its surviving credibility. For the longer term, however, a far more comprehensive review of the financial forces operat- endlessly to supply the restraint ing on the whole economy.

In spending which the Government has failed to achieve; it in spending which the Governcourse, the clue which explains is not they who are living much else. The improvement beyond their means. Only in the terms of trade—the in- Government action can produce verse, unhappily, of our loss of reliably the circumstances in price competitiveness — has which interest rates can not real incomes, and only come down, but stay down.

Mr. Trudeau's dilemma

THE BREAKDOWN of Mr. been possible to agree on a pro Trudeau's constitutional confer- cedure for amending the Act ence with the 10 Canadian once it has been "patriated." premiers was not a matter of Several proposals have been legal quibbles: it was a fight for made, all involving a degree of power and money. Almost with-out exception, the premiers parliamentary majority in were not ready to reverse a process which has lately in- stance, creased their powers at the changes to be submitted to expense of the Federal Govern-popular referendum, with a

That shift has been taking place because the British North America Act (BNA) of 1867 gives the provinces responsimeant timber, farming, and patriation he would be riding little else. Now it means the roughshod over provincial oil and gas which have made aspirations. He would also be Alberta and British Columbia rich and—if hopes are fulfilled will do the same for Newment made in the House of Lords foundland and Nova Scotia. It on July 25, 1979, by Lord Trefmeans the Atlantic fisheries and garne on behalf of the British the hydro-electricity upon Government suggested strongly the hydro-electricity upon which Quebec bases its hopes of an economic flowering.

Ottawa has been struggling with Alberta since the early 1970s to keep down the price of oil, and for a greater share in the fiscal levies on oil companies. It did so for the money, but also to defend the interests manufacturing industry, which means above all the non oil provinces of Quebec and Ontario. Until this year compromises were always reached. But now Alberta is playing really rough with a threat to reduce output unless it gets the price it wants.

Veto

These arguments have become Trudeau's ambition to give Canada its own constitution—to patriate " the British North America Act. He argues that it is an anachronism for Canada. sovereign since 1931, still to have to ask the UK Parliament if it wants to change the sensitive sections of the BNA. These include, above all, the distribution of powers between Ottawa and the provinces.

Though the matter has not been tested in any court, the usual constitutional doctrine in Canada has been that such changes may only be requested if the Federal and provincial French-English division. He is Governments are unanimous, strong willed and eager to make That, in practice, gives every

province a veto which it is unlikely to surrender lightly. For that reason it has never now could backfire

parliamentary majority in Ottawa. One formula, for inwould have required majority required in each of

four regions: the West, Ontario, Quebec and the East.

If Mr. Trudeau now makes ovinces responsi- good a threat, made indirectly their natural and perhaps for tactical reasons, Originally that unilaterally to ask London for putting Westminster into a most embarrassing situation. A statethat a request from Ottawa to patriate on the strength of a vote in the Canadian Parliament could not be refused. "We can-not be the arbiters of the correct balance of the case presented to us: this must be the sole responsibility of the Cana-dian Government," he said.

Militant

The more militant among the Canadian provinces are certain to challenge that view. Some are already cautiously lobbying for support at Westminster. An acrimonious debate at West-minster-even if it were kept largely behind the scenes— would be most embarrassing to all concerned, Mr. Trudeau included. The Canadian Prime Minister

has flirted with the idea of hold-ing a referendum on unilateral patriation. He has the majority in Ottawa necessary to pass legislation for a referendum. Its outcome, if it were ever held, could be another matter. Of course a majority of Canadians, if asked, want their own constitution. But regional feelings are strong, and in a real fight the outcome would by no means be

certain. Mr. Trudeau has always striven for the one-ness of provincial against pluralism, and the the Canadian nation against the his mark on history. But he should be politician enough to know that precipitate action

ERA OF U.S. HEGEMONY MAY BE ENDING



F THERE is one word which

has always sent a nervous

shudder through the collec-

tive soul of the International

Monetary Fund, it is "politics."

There is a certain self-con-

scious naïveté in this attitude

because the IMF is an institu-

tion where political infighting is

not unknown and whose purity

and objectivity has occasionally

been sullied by political con-

siderations in the past. (Loans

to Nicaragua, both during and

after the Somoza régime, are

But never before has the IMF

found itself so squarely, and so

helplessly, in the middle of an

Palestinian Liberation Organisa-tion (PLO) should be accorded observer status at this year's

annual meeting. This will be held, jointly with the World Bank, in three weeks time.

It is a subject light years re-

moved from the esoteric realms

of special drawing rights and conditionality in which the IMF

customarily deals, yet it is one which could ultimately signifi-

cantly alter the rules by which

the IMF plays its game. As one executive director put it re-

cently, having carefully run

through the exhaustive argu-

ments on all sides of the issue,

it's one of those damned-if-

At one level the whole PLO

question may be seen as a

significant new wrinkle in the

Arab policy of forcing a political settlement in the Middle East

against the resistance of an

American administration naturally hamstrung by the imminence of a presidential

But the approach that Saudi Arabia and Kuwait have adopted

towards the IMF (and the World

Bank) has superimposed on the

Middle East framework an

altogether more fundamentai

controptation between North

and South for control over inter-

For the first time the often

casual—but still undeniable—. hegemony that the U.S. has

exercised over the major inter-

designed to be both the conduits

and policemen of resource

transfers from the rich to the

poor, is being seriously challenged: and for the first

time it is by no means clear

that the old order will triumph.

least in the context of the two

institutions, apocalyptic. That

does not, however, mean that the

apocalypse will take place in the grand ballroom of the Sheraton

The potential stakes are, at

national financial institutions

national economic policy.

damned-if-you-don't

The old order

under threat

you-do.

situations."

election.

just one recent example).

Why the IMF fears the PLO challenge

Jurek Martin examines the implications of PLO attempts to achieve observer status at the International Monetary Fund



Status-seeker Yassir Arafat (left) of the PLO; his challenge poses a problem for the IMF's

at the turn of this month. It and the international money still stretches the imagination markets, traditional IMF bread to picture the normally staid and predictable Fund-Bank annual meeting transformed into a cross between a UN Assembly and an American political convention, with the world's finance ministers lobbying and caucusing like

But, given the sourness that currently prevails in economic relations between the developing and industrialised world, it is conceivable that the first shots in the war will be fired then and that, in retrospect, the 1980 annual meeting will come to be seen as a watershed in the evolution of the IMF itself, if not of the world.

It is necessary to take a fairly long look at the chain of events, however abstruse some of them may be, that have precipitated the current crisis. A year ago, in Belgrade, it did not seem that serious. It was relatively easy then for the

Committee missed its opportunity

Western nations, under the direction of Mr. Robert Muldoon, New Zealand's Prime Minister and chairman of the last meeting, to finesse the tentative demand that the PLO be granted observer status by commissioning a further study. In any case, that annual meeting had other things on its mind -most notably the proposed creation of a dollar substitution creation of a dollar substitution their commitments to any account and the overheated major IMF recycling operation;

Park hotel here in Washington state of the American economy nor did their action make life

In hindsight, it is now

apparent that 1979 was a missed opportunity. Mr. Muldoon's committee desultorily dragged on, never close to an agreement either on the PLO or on a more wide ranging review of who ought to get observer status. impelled by the frustration of observing the Camp David peace process grind to an apparent standstill on the rocks of, as they saw it, Israeli intransigence, undertook a profitable study of the little-read by-laws of the IMF and World Bank. At the same time the chairmanship of the 1980 annual meeting passed on to Mr. Amin Jamal the Tanzanian Finance Minister. a man much more receptive both to the PLO cause and to the need for the developing world to find better levers in its negotiations with the industrialised bloc. The solidarity of the Third World members was developing Seven Seventy nations, meeting in Arusha earlier this year, unanimously

Events subsequently have moved at a faster, more visible In midsummer, Saudi Arabia and Kuwait pulled out of two fairly routine IMF and Bank funding operations, citing the PLO case and putting their money, as it were, where their mouths were. However, as the IMF's managing director, M. Jacques de Larosiere, estab-lished on a mission to the Middle East in August, they did not threaten to back out of

especially difficult for the IMF, which has ample liquidity and modest loan demand at present. But the warning was clear and it was reinforced last week in Riyadh, the Saudi capital by a communiqué following an Arab central bankers' meeting.

Sensing what was afoot, Mr. Sam Cross, the U.S. executive director, successfully proposed to the board that observers to this year's meeting be confined those invited to Belgrade. This showed the U.S. was alive to the domestic political implications of the PLO issue. The board endorsed his motion,

Stand up and be counted

which was transmitted to the Bank's governors — the 140 finance ministers representing member governors - for rati-

the IMF itself undertake a revision of the guidelines endorsed recognition of the covering observers, to be comof the status of, for example, Taiwan, now that the People's Republic has resumed the China seat. There would also be an opportunity at least to investigate the precedent set by the PLO question, insofar as it might effect other "govern-ments-in-exile" (the Polisario, for instance).

> But the catch was that the Arab and developing nations

weighted vote) be obtained if a vote is to be validated. Simply not replying to the proposal could consign it to defeat and leave apparent discretion (though there is dispute on how far reaching it is) in the hands of the chairman of the annual meeting, Mr. Jamal. The ruse worked: the U.S. asked for an extension of the deadline and is now trying through diplomatic channels to raise a quorum. Opinions are divided on whether it will succeed by the new deadline this Friday. All of which has combined to

put the Carter Administration in a terrible bind. On the one hand, it would not help Mr. Carter's re-election to see the PLO handed a propaganda victory—in the U.S. capital city of all places—just five weeks before the nation votes. If it fails to raise a quorum this may happen, though the U.S. will probably try and insist that Mr. Jamal do nothing without the assent of the executive board, on which the U.S. still commands a majority.

Even if it wins on the quorum and carries the day, either Mr. Jamal, or somebody else, can easily raise the issue on the floor of the ennual meeting. thus obliging the U.S. and a horde of other countries (who would rather stay discreetly silent) to stand up and be

The U.S., the IMF and the World Bank could suffer if the PLO is admitted. The Administration is presently making a strong pitch to Congress for approval of two central items - ratification of the seventh general quota increase at the IMF and of the replenishment of the International Development Association, the soft loan arm of the World Bank. Last week Mr. G. William Miller, the Treasury Secretary, delivered a major speech in New York in support of both measures in terms which drew unqualified admiration from IMF and Bank

If the Administration really domestic political impact, an vious sanction threaten to withhold support The U.S. also suggested that for both proposals, thus damaging the operating capabilities of gress is quite capable of taking pleted by next March. There is matters into its own hands and general agreement that this refusing to increase U.S. financ-needs updating, to take account ing for organisations which it ing for organisations which, it will be argued, curry favour with terrorist bodies like the PLO. The IDA replenishment, in particular, looks extremely vulnerable. If anything, it exacerbates the known distaste of the present Congress for foreign assistance.

But the Administration is constrained, as far as the IMF quota review is concerned, by a strange arithmetical possibility. had unearthed a previously This is that the quota increase said, glumly.

could take effect without U.S.

ATTONAL BANK

little noticed provision in the IMF's statutes requiring that a participation, producing a de quorum of governors (half of facto diminution of American the institution's member states, comprising two-thirds of its power within the IMF.

requires the approval of 75 per cent of the IMF's weighted vot-ing membership and the ing membership and the U.S. currently commands just under 20 per cent of the vote. At the last count, more than 50 per cent approval had been obtained, without the U.S. and without a number of large industrialised countries concurring. If the increase goes through without U.S. participation, America's influence in future votes would be correspondingly reduced to under 12 per cent and that of

It's blackmail, say **IMF** officials

the developing nations, as a bloc, would rise to about 45 per cent. Sooner or later, the argument runs, the economic policies with which the IMF has been indelibly associated would have to reflect this changed reality and the U.S. would, in effect, have cut off its own nose over the PLO in order to spite its face.

This is something that the Carter Administration, which has proved generally sympathetic to the cause of international economic development, does not want to countenance Thus the sanctions it could bring to bear are themselves limited to the essentially cosmetic if the PLO wins its case, Mr. Carter himself may forsake the traditional presi-dential appearance at the annual meeting.

. A fuss may also be created over the visa status of those purporting to represent the PLO, though this is unlikely to prove effective. In the mean-while, the IMF itself, not to mention the World Bank, can do little.

The Fund might take a more benevolent attitude towards the radical plan of action for international monetary reform drawn wanted to play this game up by the Group of 24 develop-roughly, and for short term ing nations than it has to date. But that is really only skirting the fringes of the iss case, receptiveness proposals remains reform essentially the responsibility of both institutions. In fact, Con- national governments: the IMF would merely facilitate political decisions taken elsewhere.

Thus it is that senior IMF officials, accustomed to relative anonymity, are now speaking freely of the PLO issue being a "watershed" in the organisation's evolution, regrettable state of affairs," of resentment against "political blackmail." There is hope, but no optimism, that moderate, accommodating voices will prevail. "Whichever side wins now, we haven't heard the end of it," an executive director

MEN AND MATTERS

Mr. Fowler takes a flier

British Rail, you may have heard, cancelled today's inaugural advanced passenger train trip to Glasgow because of a curious effect on travellers which is probably best described as mal de chemin de fer.

But Transport Minister Norman Fowler is made of stern stuff. He will step aboard at Euston this morning for what I am told is a "personal, private" run on the 150 mph express.

The Minister is understandably eager to educate himself about the train and discuss its potential and current difficulties with BR officials, since he has the somewhat ticklish task of approving a £150m investment programme for 60 of the things.

BR is also anxious to "devote all the time possible" to showing Fowler how the train performs. This morning, however, there will be little enough time for discussion aboard the APT. The run, originally planned to zoom up to Glasgow and back, will take him only as far as Crewe and return him to London in time for lunch on terra firma. Which, in the circumstances, may be just as well.

Going home

Declan Febily, the Irish Industrial Development Authority tells me, should serve as a good example to others of his kind. An engineer all his life, wellestablished in his corner of British industry, and by his own first tentative approach a year admission "not a finance man," he has been transformed in but daunted by the task of double-quick time into the head rounding up the necessary of a new £400,000 manufacturing capital, he eyed the financial venture in Ballyfermot, West

Dublin. Fehily is the first expatriate England, he succumbed to the to be hooked in the IDA's fishing new lure of the old country. expedition currently under way He is already on stream with a promised for the past decade. in the UK. Dangling 60 per cent total staff of 33, producing fans
grants on buildings and equipment, subsidised rents and by Irish banks and paying
interest rates, the authority is interest at a comfortable 12 per ing those of the students in the



in politics but five hundred days is a short time in

looking here and elsewhere for thriving entrepreneurs who may repeat their success.

Alluring as the bait is, how ever, promotions manager Ed McDonald tells me that one of the main difficulties is persuading people who are necessarily well-established to uproot themselves and their families.

"Pride and credibility are at issue as well," he says. "If it does not work out a man has to think how he can get back into his industry." Fehily, 46, with family ties

chester company making fans and impellers when he made his ago. Ambitious to work alone, package worked out by the IDA. In March, after 24 years in

cent, he aims for a modest target of £1m sales in his second year and a staff of up to 60.

And should anyone be tempted to protest at the "poaching" of talent from Britain, let them first consider how the IDA's enterprise has helped lighten our burdens. Fehily already employs 10 people in his Manchester sales and service office. and, he points out, "we are using all British motors, British bearings and British steel."

Re-pressed

After years of writing for newsformer journalist, Tom Kent, has been given the job of reporting on them. The Canadian Government has plucked him from his chair at Dalhousle University. Halifax, to head its Royal Commission inquiry into the growing concentration of newspaper ownership in the country.

Kent's position has a certain piquancy. He left Britain and the home editorship of the Economist in 1954 to edit the Winnipeg Free Press. When his contract expired five years later, it was not renewed.

One of his tasks will be to determine whether the Thom-son-owned newspaper, now enjoying a monopoly of the news in the city, is fulfilling its proper role.

The Commission's pursuit of the Press owners is expected to start shortly, hard on the heels of the Federal investigators who have raided the Thomson offices. and those of the other main loosening as his children grow newspaper chain, Southam, in up, was a partner in a Man-search of any evidence of conspiracy to reduce competi-

Kent, who served for a spell as adviser to the late Prime Minister, Lester Pearson, has been asked to file his report by July next year. It may finally decide whether the Trudeau Government gives the priority to tougher competition legislation which has been repeatedly Once the deadline has been administrative studies depart ment which he heads at Dalhousie.

Nicola rules

David John Smith—you are Scotland's Mister Average. Or so claims James Travers, a statistician at Scotland's General Register Office, who has recently completed a computeraided survey of name patterns north of the border. The Smiths have maintained their dominance at the top of the surname chart since 1858, with the doughty MacDonalds run-ning them a close second in all surveys except, for some reason. 1935, when a birthquake among the Browns toppled them for a brief spell.

David toppled John as the

top Scots forename in the midexciting development on the distaff side, Nicola soared out of nowhere to top the chart, ousting the Margarets who had held sway for over a century. Out of Travers' computer pops the news that lads were more likely than lasses to be gifted with a multiplicity of names—over a third of female bairns born in 1976 will have to struggle through life with only a single forename. But a signal victory for the women of Scotland is struck by the mother who endowed her daughter with no less than nine names two ahead of the nearest boy. And those names, if she had observed the probabilities of Travers' chart, would have been Nicola Karen Claire Angela Fiona Susan Jenifer Julie Gillian. Ms N.K.C.A.F.S.J.J.G. Smith, the computer and I look forward to hearing from you.

Hidden quality.

Estate agent to concerned client: "I know the garden's only 30 ft square, sir. but it goes-as deep as any in-the coun-

Observer

It's a fact

Almost to a man, Industrialists have praised Skelmersdale's business-like help in settling them in

Skelmersdale

Skelmersdale Development Corporation Pennylands, Skelmersdale Lancashire WN88AR Tel: Skeimersdale 24242 STD Code (0695) Telex: 628259

FINANCIAL TIMES SURVEY

Tuesday September 16 1980

Although the industry is cyclical by tradition. there are fears that its current recession is serious. But engine builders in Europe and the U.S. have reacted to market conditions and may emerge in a stronger position to face competition from the Far East,



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Manufacturers determined to fight back

By Hazel Duffy, Industrial Correspondent

COMPETITORS OF THE DIESEL ENGINE

more

higher

higher

equivalent

At present the efficiency of the nuclear cycle is very low, with the advent of fast breeder technology it will become much

The electric motor may reach efficiency levels of 80% or more by itself. The problem is that the generation and distribution of

electricity is not a particularly efficient process. The total system efficiency of an electric motor is therefore quite low.

Gas Turbine

much smaller

much lighter

A SHORT while ago, the diesel engine appeared to be on the almost unlimited growth. The escalation in fuel prices promised suddenly to transform the workborse of a dirty and noisy necessity, into a more sought-after product. Now is perhaps a good time to take stock of how far the

diesel has progressed since it appeared in this new light, and to make an assessment of its -The immediate situation in

the industry is far from encouraging. The worldwide economic recession has depressed demand for almost all of the endproducts which are powered by diesel: commercial vehicles, cars, industrial and agricultural equipment. The consequence has been a spate of redundancies, short-time working and prolonged holidays as the engine manufacturers attempt to bring supply more into line with

Expansion

toa

The industry is traditionally cyclical, reflecting the peaks and troughs of demand by the end-users. But the current recession may prove to be more serious, pointing to a more fundamental over-capacity as a result of rapid expansion by many engine manufacturers in the last five years.

At the same time, the present imbalance could reflect the shift in manufacturing strengths away from the U.S. and Europe away from the U.S. and Europe world production in 1972 to towards the Far East. In con- 10 per cent in 1979.

struction equipment, certain applications, and instance, Japanese industrial ships, for penetration has grown considerably since the last recession. If this continues, it will have imindustry and transport, which portant implications for the had been regarded for years as manufacturers of all components. including diesel engines. A possible counter to this

pattern, however, is the fact that companies have probably re- West European production has acted more swiftly to market declined from 52 to 44 per cent conditions than they did in the last recession, and may well emerge in a stronger costposition from which to take on the competition from the Far

Certainly in Europe, which can be regarded as the home of the diesel engine (European production is around three times that of the U.S.), there are strong indications that the manufacturers determined to fight back.
But as with all components,

the future of the diesel will depend to some extent on the marketing success of their customers, the original equip-ment manufacturers (OEMs). Some observers of the British diesel engine industry-one of the strongest in Europe-have expressed concern about its dependence on end-products which show little prospect of significant growth.
Planning Research and Systems

(PRS), a research organisation specialising in the diesel engine industry, estimates that diesel production in the UK has declined from 21 per cent of

pean production, the UK has declined from 40 to 24 per cent over the same period from about 810,000 units in 1972 to 790,000 in 1979, while West European production overall has growth area. grown at a rate of 10 per cent Most of the eriod. A mark of growing competition from other parts of the world, however, is the fact that of world production.

PRS attributes the relative decline of the British industry in part to the greater demand for car dieselisation on the Continent than in the UK. Although there is still considerable scope in Europe for replacement of company, Deutz. BL, however,

Characteristic

Initial Cost

Fuel Consumption

Size

various applications - particularly in the industrial ment area-most observers agree that the car represents most important single

Most of the major European car producers - Volkswagen, Fiat, Peugeot, Renault, and -offer a diesel version of some of their most popular cars The exception is Ford which although it offers a Peugeot liesel in the Granada, has not yet accepted that diesel-powered cars will be a popular choice. Ford is talking with certain engine manufacturers about going into diesels, perhaps on a joint basis with the German

Petrol/Gas

lighter

less

lower

As a proportion of West Euro- petrol engines by diesels in appears to have made little progress yet in developing a car diesel. An important factor in determining the attraction of the diesel car, of course, is the price of diesel fuel. In Italy, Spain and Sweden, for example, diesel fuel costs less than half as much as petrol. In the UK, the price advantage of diesel is

> Although there is no doubt the diesel engined car has a permanent future, the degree of enthusiasm among the carbuying public may have been over-estimated by some fore-casters. In the U.S., the Volkswagen Golf diesel has enjoyed considerable success, but in Europe, most drivers still view the diesel-car as too sluggish.

> > larger

heavier

higher

less

Certainly the potential diesel convert will take into account the higher initial outlay for the diesel-engined car and weigh this against the fuel economies over a period of time.

It should also be noted that in the U.S., Ford pulled out of its exploratory studies for a car-diesel with Cummins, in favour of concentrating on its "Proco" engine. This is described as an advanced petrol engine which has some of the advantages of diesel,

In some more traditional applications, the diesel is losing against other forms of powergeneration. For example in rail-locomotives the trend distinctly away towards electrification of tracks;

Electric

smaller

lighter

higher*

equivalent

Nuclean

larger

less

heavier

higber

not comp

not comp

in standby generating sets, fluidised bed combustion is expected to become more important, and in military applications, the gas-turbine is winning orders from the diesel.

Aside from this contracting sector of the market, there are very real opportunities for diesel growth in the U.S. Cars apart, the switch from petrol to diesel in medium-duty commercial vehicles over the past two to three years has been very significant. It has been that suggested knowledge of the diesel in truck applications is so much more advanced than in the U.S. (where traditionally diesel has been limited to heavy-duty trucks) that the time is ripe for the European truck manufacturers to cross the Atlantic. A few companies plan to do this, although it is unlikely that the American truck companies will allow them to make rapid

Dominated

Other opportunities for the lower end of the 30-500 hp diesel range undoubtedly exist in the U.S., for use in small marine and industrial applica-tions that are still dominated by petrol. In the present state of the industry, there is insufficient capacity for manufactures in the U.S. to meet the expected demand. Hence the chance for the Europeans and Japanese, who have much more expertise at this end of the range, to expand into the U.S.

This might seem strange in

the light of Perkins' decision to close its U.S. factory a short while ago, but this appears to have had more to do with the facilities of the factory than the has recently announced its in-tention to manufacture in the Eurofinance, the Parisbased research organisation, proposes in a recent survey that the ideal solution would be for Perkins and Deutz to combine for the purpose of attacking the

U.S. market. Another area of expansion for the diesel in Europe is expected to be the marine sector. Again, Eurofinance estimates that as a result of a combination of factors, new diesel marine propulsion requirements may have risen by between 30 and 45 per cent in the mid 1980s against the levels of two years ago.

The basis of this projection is first, the recovery in shipbuilding: second, the continued trend towards dieselisation in new ves sels; and third, the diesel reengining of existing vessels. If the projection proves correct, it will come as a long-awaited boost to a part of the industry which is particularly strong in Ешгоре.

The outlook for the diesel engine is more optimistic than for many sectors of engineering. But the increasingly competitive forces in both the production of engines and the user products will ensure that diesel manufacturing in Europe will have to be subject to extremely rigorous costings, if the Continent is to hold on to its dominant place in the market.

71 this year, and working harder than eves

In 1909, the company founded by Karl Benz took up the manufacture of engines using the propulsion system invented by Rudolph Diesel.

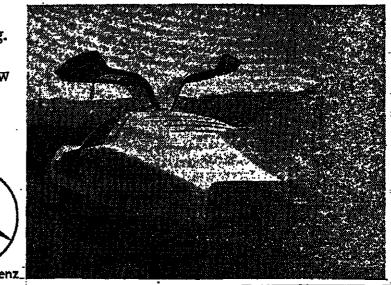
There was still work to be done, of course. Benz and his colleagues improved, researched, refined and developed their ideas until, in 1922, a 30-hp diesel engine was put into a tractor and passed every test they could think up. And two years later they marketed the first diesel-powered trucks in what was to be the most famous marque of commercial vehicles in the world.

What we now call 'R' and 'D' went on, of course. In 1928 the diesel engine was developed for boats and airships; in 1936 the 260 D car took to the road.

It was the first of two million such cars. There are many reasons for the success of the Mercedes diesel units that now power so many boats, planes, cars, trucks and tractors. One of the benefits being appreciated more and more in these troubled times is the high fuel-efficiency/low pollution factor. (We have figures that would even impress a knowledgeable conservationist.)

Another important factor is the entire philosophy behind all Mercedes engineering. A belief in the value of skills and craftsmanship, tempered with a healthy respect for new ideas and innovations; a belief in hard work, long hours and deep thinking, if they might lead somewhere worthwhile.

Witness our newest diesel test car, the fantastic C-111 Mk III. With 12 world speed records and 27 international performance records, it does not merely speak for itself.



Development along three routes

BEFORE THE introduction of ing exhaust gas energy into inlet such as the control of noise, cent improvement in miles per constituents react positively as servation constraints, today's diesel engine had evolved by what the biologists call a natural selection process along three parallel paths, influenced by the combined effects of engine size and application. There are now three fairly distinct species in which the methods of mixing the fuel and air differ significantly.

The first of these species is the larger slow and medium speed engines for marine, rail traction and stationary power. These rely primarily on the fuel the combustion chamber by the fuel injector.

The second group comprises mainly direct injection engines to power trucks and smaller engine cylinder during the induction process.

Finally, there is the rapidly expanding family of small high speed diesels employing compression swirl combustion systems in which the mixing is achieved mainly by a high degree of air turbulence gene-This group of engines is rapidly penetrating the light commercial vehicle and passenger car field in competition with the petrol engine.

The lines dividing the three types are inevitably not very distinct. With the need to improve the engines to meet future requirements there will undoubtedly be some interbreeding, to carry the biological metaphor perhaps a little too

Although fuel economy is now the number one requirement in all diesel engine applications, nowhere is it more vital than in the larger, lower speed engines. Development continues in all areas likely to render the engines more fuel-efficient while still extending the power ratings. Better combustion is sought through improvements in mixing the fuel and the air as methanol, using a pilot charge the air density in the cylinder is

equipment working at higher automotive use. The aims of Similarly more turbochargers are required to minimise energy best fuel economy in the face

environmental and energy con-sir density. Other loss areas servation constraints, today's which are being investigated are engine friction and the use of compounding or bottoming cycles, whereby the maximum amount of energy is extracted from the exhaust gases and fed back into the crankshaft.

The second major activity area concerns alternative fuels. Large stationary and in some cases marine diesels have long been used to operate on fuels as diverse as residual oil and natural gas, with suitable modifications either to process the fuel before use or assist ignition. These engines therebeing distributed throughout fore, are prime candidates for attempts to run on still more diverse fuels without losing the diesel's basic fuel efficient characteristics.

Fuels as wide-ranging as boats. These engines mix the alcohol from biomass, to coal fuel and air through fuel dis-tribution by the fuel injector, gated as a means of overcoming with a moderate degree of air oil shortages in some parts of turbulence generated in the the world. The "solid" fuels require generally longer burning times and so are best suited to slow-speed engines. However, the means for injecting the fuels in traditional diesel fashion is clearly a serious problem for the equipment manufacturer.

In all these activities the rated within the combustion larger engines have to remain competitive in terms of reliability since "down time" is also very expensive. Overhauls are required after a minimum 10.000 hours of operation on inferior fuels. When operating on distillate fuels 20,000 hours is more normal.

Difficulties

In the more mobile diesel engine applications such as large commercial vehicles, it is accepted that operation on inferior fuels presents serious difficulties. Problems arise from the need for flexibility of operation, and from the logistics ensuring a supply of the required fuel hundreds or thousands of miles from base.

Attempts are being made to operate diesel truck engines on of diesel fuel as the ignition sources. However, it is clearly The need is for more more logical to reserve the sophisticated fuel injection higher grade distillate fuels for research and development here are to achieve and maintain the

Perkins

OONEr

Value

black smoke and the gaseous emissions of oxides of nitrogen and unburned hydrocarbons.

The United States Environmental Protection Agency is currently leading in new legis-lation to control exhaust emissions from diesel as well as gasoline engines. However, all manufacturers wishing to compete in world markets should take note of these regulations which are of course, spreading to other areas such as Japan and Europe.

Given that such measures have an adverse effect on power and fuel economy, the engine best able to cope with the situation is the one which performs best when uninhibited. In the truck sized engines which are increasingly being turbocharged to ensure a combination of maximum power and payload, research and development are concentrated on improving combustion performance.

Although in almost universal use, the combination of fuel injection and air swirl to obtain the best mixing process is still not fully understood. Advanced techniques such as high-speed flame photography and laser-based air velocity measuring equipment are being applied within the cylinders of running engines to study air motion and the mixing process. It is hoped these will improve techniques for the design and development of swirling direct injection systems.

Current trends are towards higher air swirl and fuel injection rates leading, again, towards the need for still more sophisticated fuel injection equipment. The results of these investigations are assessed on the basis not only of increases in power and efficiency but also on the trade-off with reduced exhaust emissions.

It is likely that developments

in the truck size direct injection engines will become equally applicable to the smaller light duty truck and passenger car diesel engines. Here the use of divided or indirect injection systems are currently almost universal. The ability of these systems to give high power and to operate over a wide speed range has been enjoyed at the expense of an inferior fuel economy compared with truck-type direct injection

In the search for still better economy, research is seeking ways to apply direct or open chamber technology to the small high speed diesel. The problems of smoke-limited performance, noise and gaseous emissions are increased as attempts are made to extend the operating speed range to equal that of the divided chamber engines and so be acceptable as a passenger car or light duty engine.

engines as it is by no means from the engine surface.

certain that the high-speed The control of diesel comdirect injection engine will make the grade without unacjection equipment. The trend towards miniaturisation of fuel injectors for these engines is ment permitting improvements in engine design and in some aspects of performance.

The development of very small exhaust turbochargers offers the possibility of higher performance without sacrifice of fuel economy. Alternatively, it is possible to reduce the engine size for the same power with a beneficial effect on vehicle fuel economy.

The introduction of regulations governing particulate emissions from light-duty diesel engines in the U.S. to maintain air quality standards as diesel engines become more popular in American automobiles, has brought a new dimension to diesel engine development. As ideas for the reduction of particulate matter such as carbon and heavy hydrocarbons within the engine become exhausted, the industry is studying the possibilities of after-treatment using filters, with or without noble metal catalysts, in the exhaust system.

Progress is being made but the required combination of a high particulate extraction rate and long life has yet to be realised.

The possibility of health hazards associated with diesel exhaust constituents is not being ignored. There is no evidence so far to connect diesel fumes with lung cancer systems. However, they still or other respiratory diseases. losses inevitable when convert- of environmental constraints afford a 25 per cent to 30 per But since some of the exhaust

gallon compared with petrol mutagens when tested on cer-engines. mutagens when tested on cer-tain strains of bacteria, the industry is being encouraged by the U.S. Environmental Protection Agency to monitor the effects of developments on the level of mutagenic response, using the Ames test.

Noise from diesel engines. although unlikely to present serious health problems, is nevertheless recognised as one of the less acceptable characteristics. Noise reduction, both within the engine and by external treatment by cladding or enclosure, is proceeding. More sophisticated techniques Improvements sought employing holography and com-Improvements are still being to study the effects of strucsought in divided chamber tural design on noise radiation

bustion knock without sacrifice of performance is still elusive. ceptably sophisticated fuel in- Like exhaust emissions, the problem awaits more versa tility in fuel injection equip-

The high level of effort being applied to research and development of diesel engines is therefore fully justified, and is being maintained in spite of the current depressed state of the combustion engine

W. Murray Scott

Mr. Scott, of Ricardo Consulting Engineers, is head of the department concerned primarily with the development of automotive diesel



A Detroit Diesel Allison employee attaches an exhaust manifold to an 8.2 litre Fuel Pincher engine at the company's Michigan plant. The engine will power a medium-sized truck

	<u> </u>	<u> </u>		<u> </u>	<u> </u>			
	PRODUC	TION OITS			IGINES			
Horse power	0- 2080s	-50 per		-500 per	0— 2000s	1979 50 per cent	51 000's	-500 per cent
United Kingdom	262	cent 29	549	cent	224	11	569	15
Other Western Europe	339	37	896	39	916	45	1,567	41
U.S.	21	2	418	18	- 22	I	849	22
Japan	292	32	429	19	875	43	865	22
TOTAL	914	100 2	,292	100	2,037	100	3,850	100

Opposite ends of the industry share little in common

engineering, covering a very dieselised in other parts of the wide range of engine size and world. But the rising fuel costs power used in a wide range of applications. There is little diesel in a new light. Detroit common. for instance, between a small diesel used to power a cultivator and the huge engines which drive oceangoing vessels.

However, by breaking down the type of engine into its tive to gasoline engines for horsepower category and referring to its applications, it is possible to identify certain trends in the industry. It is also worth noting that the diesel engine is an important component in any of its applications, and is frequently the single most expensive item in the final piece of equipment.

The original equipment manufacturers (OEMs) who have the greatest demand for diesel engines are in the automotive sector — trucks, buses, cars. These OEMs tend to make their own engines, and in fact all the big commercial vehicle manufacturers have their own engine plants. But they also buy engines from other makers and so offer their customers not only the truck but also the horsepower range through an engine to suit their require-

In North America, truck operators normally specify the make of engine they want. This practice is also common in the UK, but less so on the Continent. Another factor is that automotive-type engine be easily adapted for other applications, which means that automotive manufacturers are frequently important suppliers of engines to, for instance, the industrial sector. Such competition is particularly irksome to the independent engine makers in present economic conditions, when the truck market is depressed and manufacturers are anxious to off-load some of their surplus engine production.

Japan leads

The smallest engine category

-0-30 hp—falls outside the
automotive application. This supplier of these engines, largely because small agricul-tural equipment is needed for farming conditions in the Far

ducer in the world, with an output of over 300,000 units annually, followed by Kubota, with around 250,000. India is also a significant producer, with production of around 400,000. Kirloskar is India's biggest manufacturer. The Philippines and Indonesia are also emerging as significant diesel producers, largely as a result of licensing deals, while South America must also be

reckoned with.
In Europe, the dominant producers are Italy (which also has special egricultural requirements), the UK, where Petters and Lister (both subsidiaries of Hawker Siddeley) have a strong reputation, and Germany.

The medium diesel category-30-500 hp — is the area of largest production, Europe, particularly Germany and the UK, and Japan are major contributors to world production in this category. Higher up the horsepower range — 150 hp and above—the U.S. begins to make its mark. Below this level, North America has traditionally power generation markets; also

THE DIESEL ENGINE indus-relied on cheaper petrol engines part of GEC are Paxman, in Japanese ships, for instance, try is a complex sector of for many applications that are Diesel Allison (part of General Motors), which claims it is the leading builder of heavy-duty diesels in the U.S. introduced earlier this year an 8.2 litre engine designed as an alterna-

> medium-duty trucks. The three major independent engine makers in the 30-500 bo category are Cummins, Perkins (owned by Massey-Ferguson) and Deutz (a subsidiary of Kloeckner - Humboldt - Deutz). Cummins, based in the U.S. around 150,000 produces engines a year. European production is concentrated on three plants in the UK, and the company has licensing agreements and joint ventures in Brazil, Mexico, India and Japan. Cummins' strength is in the

heavy duty diesel truck engine. but it is expanding its range downwards with a new 10-litre engine, primarily for trucks. It also plans to enter the lower Perkins makes over 200,000 engines a year at its plant in Peterborough, England, and around 150,000 knockdown kits

for export. These are assembled around the world by Perkins' associated and subsidiary companies and by licensees. The Perkins range is 50-300 hp, and it offers a very large number of engine types. It is primarily a supplier of engines for tractors (around 40 per cent of output goes to its parent company), but Perkins still regards itself as an independent engine maker) and commercial vehicles. It also claims to supply engines for one-third of all the diesel-engine fork lift trucks around the world.

Deutz, based in Germany, considers itself independent since the sale of its interest in Iveco to Fiat. Deutz is the leading producer of air-cooled automotive application. This type of engine is most fre-quently used in small agricularly strong in industrial tural and industrial equipment, applications—25 per cent of its output is used in construction. machinery, 22 per cent in agricultural machinery, 19 per cent in commercial vehicles, 12 per cent in compressors, and 9 per cent in generating sets.
Nearly two years ago, Deutz

Yanmar is the largest pro-lucer in the world, with an Corporation factory in Rich-mond, Indiana, where it intends to produce a line of air-cooled industrial and light truck engines. The plan is to produce over 40,000 air-cooled diesels annually, but the delay in agreement with Flat about compensation for the light product of the light product tion for the Iveco transfer could jeopardise the U.S. programme.
The UK is an important contributor to world diesel production. In addition to Cummin and Ford (both multi-nationals with British plants producing for international markets), and British Leyland, it has several independent manufacturers with

worldwide reputations. In the Hawker-Siddeley group there is Gardner, which is strong in the truck and bus field; Rolls-Royce (part of Rolls-Royce Motors which has merged recently with Vickers), also in the truck area, but also supplying larger engines for defence equipment and generating sets; the GEC group of, engine-makers, of which Dorman comes closest to volume production supplying the industrial, marine

specialising in rail traction, remains European. In the Ruston and Kelvin Baudouin in medium-large category (say up

truck and car manufacturers—duction of this engine size is Daimler-Benz, Volkswagen, estimated at around \$,000, their MAN, in Germany, Pengent/final markets split about equally Citroen and Renault in France; between markets traction (rail, Volvo and Saab-Scania in construction equipment and Sweden and Daf in Holland, military) and power generation are all major suppliers of This sector of the industry are all major suppliers of engines, both for their own suffers from over-targetty. The requirements and to a varying future of the define equipextent as suppliers of "loose" ment market; for destance, is engines to automotive and in uncertain since the U.S. decided destant of the U.S. decided

big engine making facilities. Iranian tank orders, later can-Caterpillar and Cummins are celled, was relieved recently to

Two categories

In Japan, the engine makers include Isuzu, Mitsubishi, Toyota, Hino, Nissan, Toyo include Daihatsu, Komatsu, Kogyo, IHI, and Yanmar, all in the medium-sized engine category supplying industrial, automotive, power generation and marine markets. Engines of 500 hp and above

are frequently broken into two categories 500-5,000 used for marine, traction, power generation and other industrial uses; and those over 5,000 hp (made in small numbers), which are used in ships and power generation. Europe is important as a supplier of engines in these larger categories, and much of the technology in the slow-speed marine diesel has been licensed by the leading European companies: Pielstick. Sulzer, MAN Burmeister and Wain (the Danish subsidiary of MAN) around the world. Much of the technology of the engines

France and Alco in the U.S. are to 1,500 hp), the biggest manualso part of GEC. facturers are MTU (Germany) Elsewhere in Europe, the and Cummins, European pro-

dustrial OEMs. to go for gas inchines in new in the U.S., General Motors tank designs, Rolls Royce, how-through Detroit Diesel, Interester, which was in the unnational Harvester, and Mack, enviable situation of having are all truck manufacturers with increased capacity to fulfil the also big suppliers of truck get a big order for diesel-engines. engined tanks from the British Government.

Other companies in this engine-size range, such as Mirrlees Blackstone (part of Hawker Siddeley), Brons and SACM, make heavy medium and high speed units exclusively for ships and power generation. In the super engine category. the advance of electrification in rail systems has led to a decline in demand for rall traction engines in Europe: There is still scope for exports, however, particularly to the developing

world.

Power generation absorbs
about 50 per cent of mediumspeed maries 35 per cent. Slowspeed two-stroke diesels new dominate ocean-going vessels, having almost taken over from steam turbines. The leading European producers in 1978 were Sulzer, B&W, MAN, Doxford and G.M.T. Doxford (part of British Shipbuilders), has since closed.

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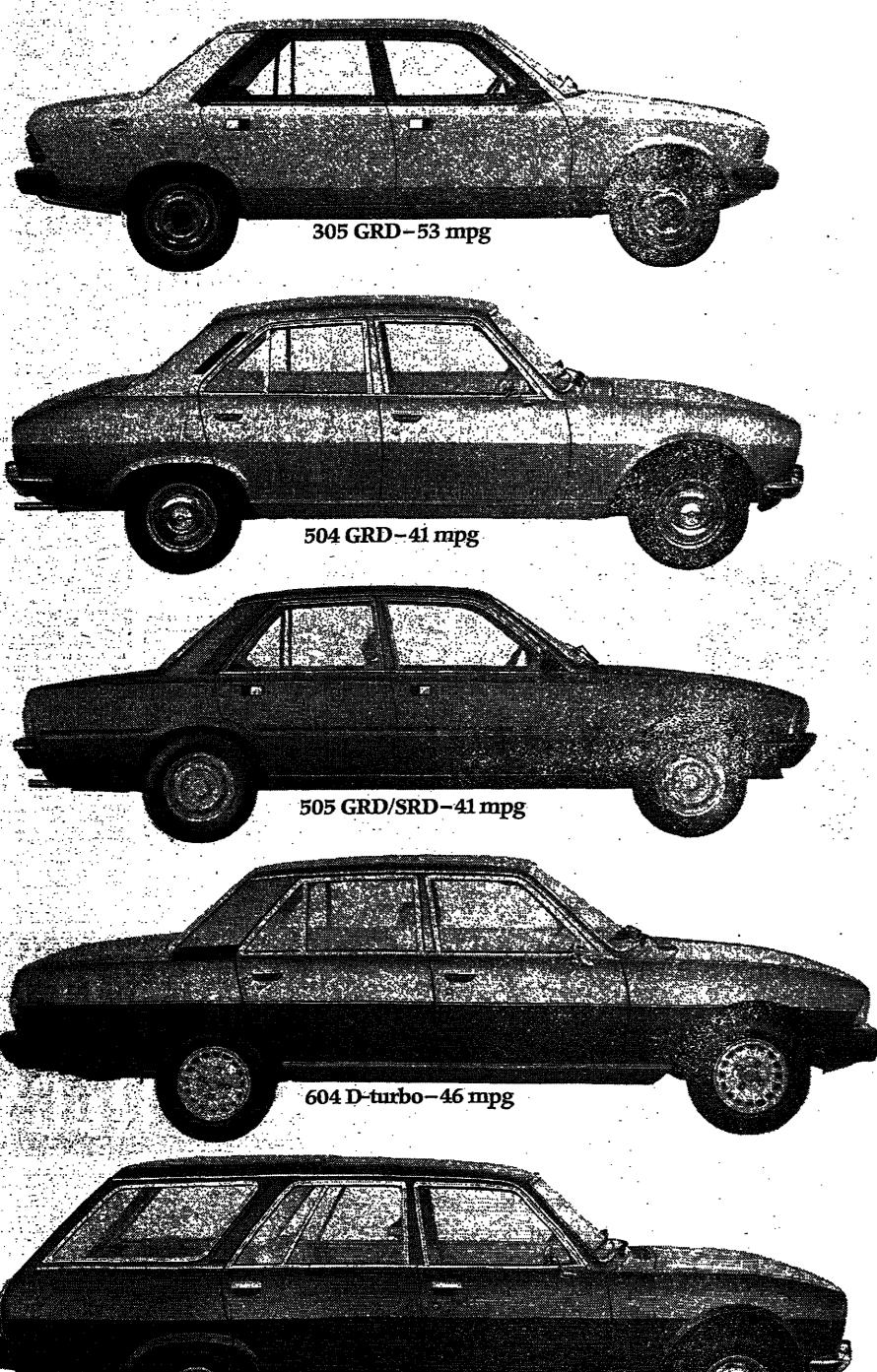
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stry

FACT-Diesel car market up 20% over 1979.

FACT-Peugeot market leader with 34% of all Diesel car Sales.



The number of diesel powered cars solds of ar this year has greatly increased over the same period in 1979. At long last, diesels appear to have become accepted in Britain, the country whose engineering industry has contributed greatly to its technical development. Peugeot has a long standing relationship with companies such as Lucas CAV who design and manufacture diesel injection systems and Garrett Airesearch who make turbo-chargers, both of whom have experience that's second to none in their fields.

But why has this change taken place? Inevitably when personal finances are stretched, people look to economise, and one way of doing so with motoring is obviously to run a more economical car.

A diesel car will give you a much improved fuel consumption (averaging between 15%-20%), greater engine life expectancy, lower running costs and reliable starting at any temperature.

If you already buy diesel fuel in bulk for your commercial fleet, the savings will be even more apparent.

But why are Peugeot leading the field? Firstly, because we have the widest Diesel range available in this country—eight very different models and each one purpose engineered from the initial design to take diesel power.

The 305 GRD, a 1550cc four door saloon, is one of the smallest yet most economical diesels available, returning up to 53 mpg.

The rugged, yet supremely comfortable 504 Saloon makes an ideal and proven workhorse.

The stylish 2 litre 505, voted Executive Car of the Year by What Car? magazine, is also available with diesel in two trim levels.

The latest to join our diesel line up, the luxurious 604 D-turbo, the only turbo-charged diesel available in Britain, offers you the fuel economy of a Mini, up to 46 mpg, with the comfort of a limousine.

The Peugeot Estates, renowned as strong capacious load movers. We currently offer the 504 Estate and Family Estate (with three rows of forward facing seats) with diesel power. And soon to be introduced is the stylish, yet extremely practical 305 Diesel Estate.

We have a range of diesel light commercial vehicles too. The newly introduced 504. Pick-up is available with a 1948cc diesel engine and the 305 Van will soon be launched with a 1550cc diesel unit.

The other reason why Peugeot are ahead is because we aren't new to Diesel. We are, in fact, one of the most experienced diesel manufacturers in the world having begun with diesel in 1928 and having now built well over a million engines. Our network of dealers are amongst the most experienced too, capable, therefore, of offering you an expert after sales service.

Should you take your Peugeot Diesel to the Continent – where diesel often costs considerably less than petrol – there are some 7,000 Peugeot dealers ready to assist you.

More and more people are looking to diesel as their way to economise and a number of companies are switching their car fleets to diesels.

You can rely on Peugeot because when you buy one of our diesel cars you benefit from the wealth of Peugeot experience. And the result is a car that performs reliably, comfortably, safely and above all, economically.



Peugeot Automobiles UK Ltd., 333 Western Avenue, London W3 0RS Tel: 01-992 5366

Source of market figures: Jan.-July 1979/80 SMMT. Diesel fuel consumption at a constant 56 mph in accordance with French Government testing procedures.

504 Family D-38 mpg

504 D-36 mpg

DIESELS IV

Output adjusted to falling demand

range of engines.

The large diesel engine manufacturers in Europe, Japan and to a lesser extent the United States, have had to adjust outstand States, have had to adjust outstand accordingly.

They cannot take advantage of tions abroad and in the UK, has to allow the foundation of the UK, has been to improve productivity peritor in many countries in ga high level of output. Hatz, which is able to take.

But there are fears that put and investment accordingly. Hatz, which is able to take. and industrial purposes.

tor has been in the region of 7 than 5 per cent a year in the in other applications such as foreseeable future.

The total world market for these engines is now around 1.7m a year, for which com-

meant some overcapacity in the be taken up before too long. But U.S. markets where longer a notable downturn in the engine life is important.

Japanese market for mini-trac- Significantly, Briggs

able inroads, with Kirkloskar engines in the U.S. when growth sector, particularly in Europe selling around 100,000 units a areas of the market become and the United States. year. Other small Indian com-panies have produced a similar In the d

the impact of higher oil prices flation rate and the high value small diesels. on the developing world, a of sterling. Since most of this major market for the smaller business is on short term credit. they cannot take advantage of

used for agricultural equipment increase in the U.S. market for major North African order by world-wide growth in this section has been in the region of 7 largely the result of the contract of the contra per cent a year until recently, tinued predominance of petrol when it fell to around 3 per engines, mainly manufactured cent. Future sales are not by Briggs and Stratton, fitted to relying heavily on their lower expected to increase by more small industrial equipment and prices to gain a foothold. Now

panies such as Lister and Petter in the UK, Lombardini in Italy, Hatz, Farymann and Deutz of Germany, and Yanmar and Germany. Germany, and Yanmar and engines, although Hawker most parts of the world. The Kubota of Japan are competing Slower growth in demand has poration of the U.S. and the 550,000 units a year, of which Slower growth in demand has poration of the U.S. and the licensing of Petter technology industry, although this should has led to some success in the

Significantly, Briggs tors and cultivators has led to Stratton has recently taken far more Japanese engine sales over Farymann of Germany, in the international market and which was in some difficulty, consequent pressure on prices. giving rise to speculation that it India has also made consider- may manufacture its diesel

amount, though mainly for their there are also slight shifts in Far East, notably Isuzu of domestic market.

The latter has pre-Although demand for 30 hp increasing success of some solar viously produced engines engines is universal in the development of the development of

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diesel engines has become portion of purchases are now engine for most uses. In the increasingly depressed in the tied to aid programmes. British small fishing industry, there past year, because of recession companies now face additional are signs of moves away from in the industrial countries and problems because of the UK in- outboard petrol engines towards

> The response of Lister and Petter, both owned by Hawker Siddeley, to the tough condi-

Competition in some sectors has become fierce, particularly in the range of engines up to 30 bp

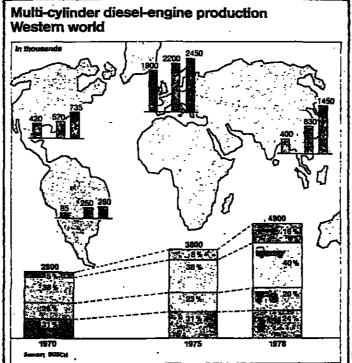
Early hopes of a substantial pointer is the recent loss of a

The Japanese companies have tended to concentrate their main efforts in the U.S. market, prices to gain a foothold. Now the highly price-sensitive Eurobean market for construction equipment engines is regarded as a prime target.

The relatively low price of 35 hp to 255 hp, Perkins, owned by Massey-Ferguson of Canada, holds a dominant position in 200,000 a year are made in Britain, 86 per cent of this output is exported directly or indirectly, and the company has plants in 15 other countries. Because a high proportion of its engines are designed for tractors and other farm equipment, it has suffered severely from the fall in demand in this

more evident.

In the developing world Perkins is also coming from the



engines are now being sold at levels. competitive prices on the open market.

The world market for medium-sized diesel engines designed for power generating sets, compressors, welding equipment and similar industrial uses has also declined recently, in line with slower growth in the industrialised countries. There have been sharper falls in demand, however, in some important markets, notably Iran, Iraq and Nigeria, although the position

here has recently improved.

Britain's share of the world diesel engine market is very substantial, with around 14 per cent of engines used to power commercial vehicles and passenger cars, 27 per cent of those used in farm tractors, and 17 per cent of engines for construction equipment, industrial and

marine use. Much of strength lies in the high volume output of engines in the mid-power range. Despite flagging demand, Lister is going ahead with a major investment programme to increase capacity

ment, but with domestic demand and strengthen its position in falling, it is estimated that world markets when, it believes, around 65 per cent of its demand returns to more normal

However, the need for a strong home market is regarded as essential for most successful exporting industries. The severe problems confronting the British tractor industry, and of commercial vehicle manufacturers in general, must be of some concern in the long term.

At the heavier end of the industry, Middle East markets for large diesel power genera-tion sets remain fairly buoyant. GEC of Britain and General Electric of the U.S., Stork-Werkspoor of Holland, and Sulzer of Switzerland, are some of the most active companies in this area. In rail traction, General Electric retains a domi-

nant position worldwide.

Companies such as Lister and
Perkins are extremely well placed to continue their pattern of growth, based mainly on exports. There is also a danger that unless unit costs are kept down by a reduction in inflation, countries in the Far East will slowly erode their commanding

Lorne Barling

U.S. offers scope for industrial engines

tor in the U.S., although in Europe it is heavily dieselised.

Equipment used in construction projects varies enormously according to the scale of the project, and therefore the requirement for diesel type and horsepower will also cover a

manufacturers of construction equipment also make their own and many more are all involved tion equipment as well as their prime interests in their respective sectors. This overlap in equipment is carried over into equipment, for instance, is used

also in open-cast mining.
It is impossible therefore to

ticularly in the public construction area as a result of squeezes on Government spending. Housebuilding activity has also been depressed in most parts

long before the general economic recession, have been

drawn from some of its con-struction equipment activities in Europe, as has Massey-Fer-

Overcapacity

outlets in this highly price-sen-

sitive sector is intense. At the

same time, manufacturers like Caterpillar, which have invested heavily in engine capacity to

enter the third party market,

have added to the competition

when their own requirements

have lessened as a result of the

battle will continue among the

big engine manufacturers, but it would not come as a surprise

if some of the smaller com-panies — Leyland, for example

engines for outside customers.

Prospects for equipment used

mining applications are

were forced to stop making

guson), and mergers. The multi-nationals apart, Europe has many independent manufacturers of such equipment which are important cus-tomers for the diesel engine

As with agricultural tractors, many of the large multi-national engines. Caterpillar and Komatsu are the two-largest examples, but International Harvester, John Deere, Ford, Fiat, General Motors, J. I. Case, and many more are all important forms. their engines from Perkins, Deutz, Cummins, Leyland, etc. Many companies offer their cus-tomers a choice of engine to suit their particular requirein the manufacture of construc- ments. substantial overcapacity among the engine manufacturers means that competition to secure new

be too rigid about the prospects for the construction equipment sector except in the most general terms. In Europe, public sector and industrial investment accounts for over half of construction activity. The sector has been generally depressed in reentc years, par-

of Europe. The effects of this recession in construction, which came about

THE INDUSTRIAL and con-severe for most of the construction brighter, particularly as regards struction equipment sector is tion equipment manufacturers coal, which is destined to bemore diverse than the agricultural sector, and in most respects is more dependent on economic conditions for its growth. An additional factor, however, is that there is still scope for growth in dieselengined applications in this sector in the U.S., although in disasters and the constructions with the construction of the larger companies have those energy source. Construction of the larger companies have from equipment which is used survived only as a result of their frequently in mining operations being part of a group which has include wheeled loaders, off-other interests and there have highway haulers to carry the been a number of closures, sales overburden and the material (Ford, for instance, has with being mined and front-loading draws. shovels.

Other industrial applications of the diesel include pumps, compressors, and welding sets, where demand patterns are linked closely to the rate of investment in industrial plantand equipment.

The sector prospects for expansion in the medium term

makers. In the UK, for instance, companies like J. C. Bamford, coles Cranes, and in Germany, Liebherr, O and K. and numerous other companies, buy better, although there are signs better, although there are signs that the industry in Europe and the U.S. is increasingly comingunder pressure from Japanese products.

The sector is particularly important for Perkins, which claims to supply engines for one third of all diesel-engined industrial trucks, as well as the -But the fact that there is other independent engine makers. As with construction equipment, the manufacturers of lift trucks frequently offer a choice of engine to their cus-

tomers. Common standards of noise levels and emissions are being sought by the lift truck manufacturers to comply with legis-lation which will be applied during the coming decade by

ave lessened as a result of the all governments.

Secsion.

Much of this responsibility falls upon the engine makers to come up with an engine which will meet these requirements. Particular attention has been paid to the problem at Perkins and Deutz, both substantial suppliers to this industry sector.

H.D.

Research presses ahead at all levels

high temperature of the compressed air used to ignite the fuel. For this reason the word diesel, no longer written with capital letter, is used as a simpler alternative to "liquid fuel injection compression igni-

To the operator, the term diesel engine means the ultimate in the efficient conversion of liquid hydrocarbon fuel into mechanical energy. To the man in the street, it conjures up an image of noise, smoke and smell, rather than a means of economic transportation that brings improved standards of

Efficient

The steadily increasing cost of oil in recent years, coupled with the demand to preserve and improve the quality of the environment, has added significantly to demand for more efficient and more socially acceptable diesel engines. The diesel engine is unlikely to be the best solution once the world's oil reserves have run out or become too expensive to exploit. But within present technology, it can be relied upon to operate efficiently in the still widening spheres of

application, The diesel engine is currently

mowers and stationary power ·plants.

Considerable effort is being expended, at all levels of research and development towards further improvement of the diesel engine, alongside the search for more advanced and diverse power plants as the gas turbine, stirling cycle, lean burn gasoline and stratified charge engines. It must, however, be pointed out that of all the alternatives, the engine is probably the most sensitive to the quality of the fuel it uses. When this quality fails below a certain level there will be little justification for the existence of the diesel in its present form.

The diesel engine owes its efficiency to its ability operate at high compression ratios and over a wide range of air/fuel ratios. Since the fuel not introduced into cvlinder until engine before ignition is required, there is no problem of preignition. Indeed, it relies on auto ignition of the fuel as it is injected into the hot compressed air in the cylinder to start combustion.

takes place within the cylinder from droplets of fuel generated by the fuel injector nozzle.

THE NAME Diesel is, today, used to describe a large range of internal combustion engines, resembling Rudolph Diesel's capacity or less, Even smaller scripinal invention only in its crycles of operation and in the high temperature of the comcontrol mixture strength.

The lack of pumping losses the second major reason for the good fuel economy of the diesel engine. Mixing and ignition takes place in a few millionds, so the ignition quality the fuel and the mixing cess are both very improcess portant.

Straightforward

Diesel fuel is extracted from crude oil by a straightforward distillation process, comprising the fraction boiled off between degrees C and 380 degrees The lighter components go form chemical feed stocks, to gasoline for passenger cars and kerosene for gas turbines in aircraft. The heavier components are burned in boilers and help surface roads.

The diesel fraction, like kerosene, has a high natural igni-tion quality. This is termed Cetane number and means it will ignite spontaneously in hot air around 400-500 degrees with a predictable time delay after being injected. The timing of fuel ignition for best performance is therefore as critical the spark-timing in a gaso-Mixing of the fuel and air line engine. The performance the place within the cylinder as well as cold starting is also affected by the ignition quality.

less than 100 per cent air utilisa-tion, so the diesel engine cannot equal the gasoline engine in power produced per litre of

among internal combustion engine fuels. The other factor determining

the success of the diesel engine

is its ability to mix fuel and air effectively within the engine cylinder. Although the engine power output is controlled by the amount of fuel injected, the maximum power that an engine can produce is not deter-mined by how much fuel can be injected but how much are mixed with the fuel. The mixing is achieved by distribution

from the fuel injector by air

turbulence, or, more commonly, by a combination of the two. During the first 100 years of diesel engine development, the thermal efficiency of some of the larger engines has approached 40 per cent. In the smaller engines air utilisation has reached 80-85 per cent with an acceptable level of black smoke in the exhaust. Black smoke indicates that the engine is running out of available air for combustion, making it pointless to inject any more fuel. The smoke limit is reached at

swept volume. As the diesel has reached such a good level of economy

cations both from the viewpoint of the user and those sharing

the environment. The possibility of weaning the diesel away from oil based fuels is also of considerable interest provided its fuel economy can maintained.

Smoke and smell

The word diesel has become and smell, and not without reason. Man became conscious of the need to protect his environment rather earlier than became aware of the need to conserve oil. formulated — particularly in the S. - to limit the amount of noise, smoke and odorous components (incompletely burned

fuel) which can legally be emitted. In general, measures to control characteristics have resulted in less efficient operation of all types of internal combustion engines. The need to maximise efficiency while conforming to environmental regulations, and to render the diesel less fastidious while extending its field of application, has therefore continued to stimulate research and development at a

W. Murray Scott



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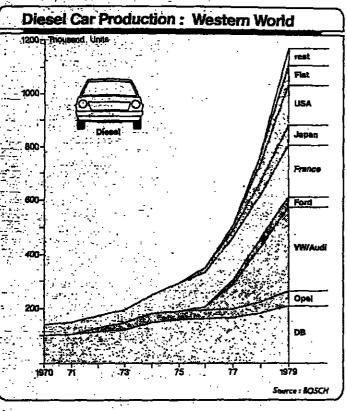
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Vels

se and smei

A Cummins 14-litre NHC 250 engine powers ERF's 30-ton gross tipper while (below) Ford's mediumduty truck for the U.S. market can be fitted with a Detroit Diesel Allison 8.2-litre motor





Strong underlying demand for trucks

72 73 74 75

power commercial vehicles. Last year around 2.5m diesel-engined commercials took the roads throughout the world, or roughly 20 per cent of the 10.42m produced. As for the Western countries, sales of diesel - engined commercial vehicles have been forecast to rise by 9 per cent a year to a total of 3.4m by 1985.

The forecasters are wavering omewhat at present because of the severity of the recession and the uncertainties about truck sales. In the U.S., for example, the consensus in the industry is that sales of medium and heavy trucks will fall by at least 25 per cent this year, from 378,000 to around 265,000.

So it may be that the fore-cast 3.4m total is not reached until a couple of years after 1985. But the underlying demand is undoubtedly there and will show itself once the West starts moving goods again at anything like normal rates.

At the heavy end of the com-mercial vehicle business throughout the world, diesel engines are almost universally used because fuel represents such a great part of total costs and because heavy trucks cover so many miles in a year.

But the steep rise in the price of oil in the mid-1970s spurred the diesel engine makers to seek improvements in the performance of their products, which have not changed very

much for the past 25 years.
One of the major U.S. truck component suppliers, Eaton Corporation, has done some very thorough market research on this subject. It came to the conclusion that by 1990, a whole new range of heavy truck diesel engines will have been launched on to the world markets by various manufac-turers. The engines will be smaller, lighter and use fuel more efficiently.

In Continental Europe, truckmakers tend to manufacture their own diesel engines. The theory is that overall perform

MORE THAN 40 per cent of ance is better if the whole the diesel engines built go to drive-line (engine, transmission. drive-axie) is carefully matched. This careful match, in turn, can only be achieved if all these major components are designed and produced by the same company.

> Iveco (the commercial vehicle division of Fiat). Daimler-Benz, MAN, Daf, Volvo, Scania and Renault's truck division, all make their own diesel power units.

· In the U.S. heavy truck market, the situation is very different. The number of "options" offered by the American truck makers is at a level which would be con-sidered unthinkable in Europe.

A survey by Borg-Warner Corporation showed, for example, that in 1978, U.S. fleet operators who bought trucks specified the type of engine for each truck in 99.9 per cent of cases. This compared with a 90 per cent specification for

Opinion split

To some extent the UK has followed the U.S. system, and heavy truck operators could often be said to buy a diesel engine with a truck around it. specifying the fitting of an engine from one of the independent suppliers.

Of course, Leyland, Bedford and Dodge would prefer to sell a truck with one of their own diesel engines as the powerunit. But pressure from the market-place often dictates that they should offer an "optional" engine from an independent manufacturer. New vehicles are often designed with this in

There is a major split of opinion in the truck industry about whether the independent will be gradually squeezed out

(7-0)(6-7)(7-6)(4-7)(3-1)(2-8)(2-2)(4-1)(5-7)(10-0)(10-0) fuel consumption figures but to conform with legal

requirements on noise and

But the independents use precisely the same arguments to try to prove to the truck makers that they should spread the enormous costs of keeping up with modern technology by allowing specialists to share the load—including specialist diesel engine manufacturers.

The problem for the truckmakers, even if they accept this argument, is that they have so much invested in their diesel engine operations already and so many people employed in them. And commercial vehicle makers predominate in the current list of manufacturers of 30hp to 500hp diesel engines -the type normally used in vehicles.

While Perkins, the world's the others in the top half-dozen of business by the fast-rising include Daimler-Benz, Ford, that the current 10 per cent position costs of diesel engine develop- Isuzu, General Motors and share of the U.S. medium-duty vehicles.

GM's subsidiary Detroit Diesel Allison ranks as an "independent" because it supplies other manufacturers on equal terms.)

CLASS 6

Faced with heavy development costs, the commercial vehicle makers have tended to look for joint ventures with other companies in the same line of business. This is as true for diesel engines as for any other major component.

As the cost of fuel rises, commercial vehicle operators are becoming more willing to American company's network. consider diesels for smaller Iveco is setting up its own distrucks, even though the initial price and maintenance costs might be higher than for a petrol engine.

has held back the spread of

DIESEL PENETRATION OF US TRUCKS (Total factory sales)

match the demand This expectation shared with many other forecasters, has attracted some European truck groups, sensing a possible opportunity to break into the American market with medium-weight diesels. Daimler-Benz is setting up a truck plant in the range diesel truck business. U.S. (supplied with Brazilian diesels); Renault has linked with the local Mack Trucks and is selling French-built, medium- for the medium-duty market, weight diesel trucks through the with the help of Ford, its major weight diesel trucks through the American company's network.

New products

The indigenous U.S. diesel This is particularly the case engine producers will not let in the U.S. where the extraor- the new opportunities go undinarily low cost of oil products contested. The major producers of the medium trucks in Class 6 diesel engines for trucks. Mr. (9 tons to 11.8 tons)-Ford, biggest manufacturer of diesels, James Capolongo, a Ford vice- General Motors and Intertops the list in this category, president and general manager national Harvester — are all Motors and Interof truck operations, suggests taking steps to improve their diesel-powered vehicles. And the engine manu- Correspondent

ment, not only to meet the Fiat's Iveco. (It could be truck market held by diesels facturers, notably Caterpillar, customers' demands for better argued in this context that will soar to between 50 and 60 Cummins and General Motors per cent by 1985 — provided through its Detroit Diesel Alli-U.S. engine manufacturers can son offshoot, are developing new products to meet the growing

demand. Currently Cummins engines power more than 41 per cent of all diesel-engined trucks in the U.S. But Caterpillar, particularly with its 3,208 engine, claims about half of the mid-

Earlier this year Detroit Diesel Allison launched its 8.2 litre diesel, specifically designed customer. The engine is being used by Ford, which signifi-cantly calls it the "Fuel Pincher," Chevrolet (another GM offshoot) and, as an option, by International Harvester.

There seems little doubt therefore, that in the long run it will be the U.S. diesel engine makers who will get the greatest benefits from the switch to diesels by medium-weight truck operators in North America.

Kenneth Gooding Motor Industry

Car drivers reluctant to change from petrol

engines for cars have roared ahead by 20 to 25 per cent a year. But will this growth pattern be sustained?

There is ample evidence to show that unless they are given very special incentives, car drivers would prefer not to have diesel engine under the

Diesel ingines have characteristics which car drivers, par-ticularly in Europe, find unacceptable. They give sluggish performance, causing the driver to wait some time before they can be started from "cold." and are noisier than the petrol

They are more expensive to buy than petrol engines because they need a complicated fuel injection system and a more powerful starter motor and batters to turn over an engine which works at a much higher compression ratio. This complication means that although diesek last longer, they need more maintenance.

So motor industry forecasters are almost unanimous that although diesels have some part to pay in the car markets of the future, it will be a relatively minor role. Different analysts variously predict that die els will settle at 5 per cent or 0 per cent or even 15 per cent of total car sales.

blesel engine performance cal be boosted by turbo-charg-ing for example. Volkswagen his presented a view of the fiture (1988) when lightweight, terbocharged diesel engines will b offering 100 miles an hour rformance and 70 miles per llon economy.

Economy

This points once more to the inderlying reason for the surge of interest among the car companies in what would otherwise be an unsuitable power unit. engines offer much better fuel economy than equivalent petrol engines. Opinion varies as to how much. But even the more conservative engineers agree that diesels show at least a 25 per cent overall improvement in fuel con-

advantage under "part-load" conditions. In stop-start urban motoring, a diesel car returns' consumption figures up to 50 per cent better than an equivalent petrol-engined car. (This is the Fuel Economy (CAFE) targets main reason Germany has all while continuing to be able to those diesel-engined Mercedes offer customers big, six-seater taxis in its towns.)

But while hedging their bets: GM will produce 300,000 with diesel engines, motor: diesel cars this year, rising to manufacturers are putting enor. 500,000 in 1981, By 1985 about mous investment into develop 20 per cent of its total car ing petrol (or Otto cycle) engines. The aim is to achieve diesel diesel-like fuel consumption insists.

expense of a diesel engine. .The petrol engines of the past the diesel-engined car's share of were highly inefficient. At full- North American production

ENCOURAGED BY the oil load (high-speed, high-mileage from 0.4 per cent in 1978 to supply crisis of the mid-1970s motoring), an average petrol 2.2 per cent last year. But the and the subsequent steep rise in engine yields about 30 per cent big constraint on the spread of of its potential energy with the dieselisation in the U.S. is the remainder lost in the cooling water, exhaust and internal friction. At part-load (urban, stop-start motoring) the effi-

ciency is about 8 per cent.

There seems no reason why petrol engines capable 70 mpg at 70 mph should not be a feature of motoring in the 1980s. And as long as the manufacturers can keep fuel con-sumption figures improving steadily, there will be no incentive for car drivers to turn to

Another important factor during the 1980s will be increasing use of fuels other than oil for car engines. The Otto cycle (petrol) engine lends itself to the use of alternative fuels and needs relatively minor changes even to be able to cope two fuels on one journey; perhaps using alcohol for part of it and then switching to petrol for another.

Diesel engines need too many add-ons (such as special fuel injection systems) or additives as ignition-assistance additives) to make them a really feasible proposition for use with alternative fuels. But who knows how demand might be stimulated as the price of oil

In the past those countries without much oil of their own have encouraged the use of diesel for all forms of trans-port — including cars — by their prising policies. In Italy, Japan, Spain and Sweden, the price of diesel fuel is less than half that of petrol. The same goes for Brazil but the Government has introduced regulations which rule out the use of diesel cars there.

But above all the drive by the U.S. to cut back its oil imports will have a profound effect on the world diesel car statistics. To stamp out "gas guzzlers" the U.S. Government has introduced stringent fuel economy standards the car makers must during American manufacturers have been told they must push up the average fuel consumption across their ranges of models to 28.5 miles per U.S. gallon, against the 18 mpg achieved

last year. General Motors, the world's The diesel shows its greatest largest car producer and the which dominates the American market, feels that the diesel engine is probably the best means available to meet the Corporate Average

> output could be powered by diesel engines the group The group produces drawbacks or around 5.5m cars each year. lesel engine. CM's strategy helped to push

cars.

lack of a service network to deal with the cars. America does not have nearly enough service engineers capable of doing good job on a diesel car-which may explain why GM has had some headaches with its diesel

Company officials acknowledge that many people who bought GM diesel cars have experienced problems and as a result the group is having to face large warranty costs. It has also stepped up spending to prevent more problems developing in the future.

Damage done

However, much damage has been done. Consumer groups such as the Centre for Auto Safety in Washington, says complaints about diesels have been 'streaming in." Some frustra ted car-fleet operators have stopped buying diesel cars and one successfully sued GM.

Last autumn a car market research company, J. D. Power and Associates, polled 500 owners of 1979 Oldsmobile diesel cars (made by GM) and found 75 per cent had encountered one or more engine prob lems. All this has not improved the diesel car's "image" in the

GM's main rival, Ford, has been a far-from-fervent sup-porter of diesel cars, though it ms prepared to meet demand if it grows. In Europe, Ford is offering a Peugeot diesel in its large cars, the Granada models, in those countries where demand exists. So far Ford has no U.S. diesel cars but at least one has been promised.

An indication of Ford's attitude came last December, when the company pulled out of a joint diesel engine development project with Cummins because of our confidence in our own advanced petrol engine technology."

Ford said that it believed its advanced "Proco" engine would provide the required fuel economies for the U.S. in the mid-1980s. It uses a "leaner" petrol mixture-one that is not so highly concentrated. The future of the diesel car in

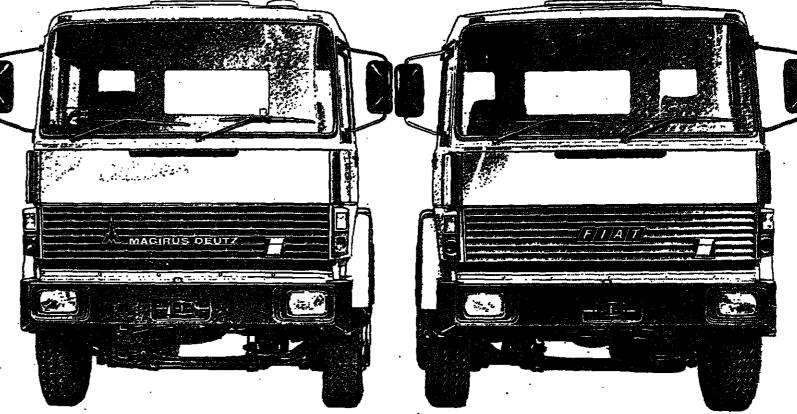
the U.S. is also clouded by

legislation about emission controis. NOX (nitrous oxide) emissions are extremely difficult to design out of diesel engines. Outside the U.S., there will always be a steady demand for diesel cars wherever diesel fuel is deliberately held at a lower price than petrol.

But there will be no explosion demand unless diesel cars become "fashionable" for some reason. There are some signs that this could happen—the prime example being the success of the diesel version of the Volkswagen Golf, which was bought as much because it was fashionable" vehicle as for its frugal use of fuel.

Kenneth Gooding

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IVECO

Steam turbines lose on grounds of cost

THERE IS considerable dis-cussion currently about the tages of diesel engines over tant contributor to engine wear, merits of coal-fired ships and steam turbines (of the order of is expected to rise from 2 per powered vessels. The Japanese have already built a prototype commercial sailing ship and an has ordered some coal-fired ships.

However, the main marine propulsion unit for the foresecable future will remain the diesel engine and, far from losing market share to other forms of propulsion, the marine diesel seems destined to increase its dominance in the field of ships' engines. Currently just under two thirds of the world fleet is powered by diesels.

In the early 1970s over a third of the installed horse-power of new marine propulsion units was provided by steam turbines. This was because turbines are highly reliable, and for the very large crude carriers (VLCCs) and fast container-ships needing engine outputs of over 30,000 horsepower, there was no viable diesel alternative.

Since then two things have happened. First, the price of ships' bunker fuel has soared; and second. engine designers have made major strides in the development and performance of marine diesels.

As a rough rule of thumb a powered by steamturbine consumes around 170 tons of heavy fuel oil per day, whereas a diesel-driven equiva-lent consumes just over 100 tons per day. Assuming a ship is at sea for around 300 days a year, the annual fuel costs of a steamturbine VLCC amount to \$9m a year. The costs of a dieselpowered tanker amount to \$5.5m—a saving of \$2.5m per vear.

As a result well over 90 per cent of the installed horsepower of ships' propulsion units under construction are now diesel, compared with just under two thirds only seven years ago. In addition, many shipping companies with fleets of steam-turbine tankers and container-ships, are actively considering replacement of their steam-propulsion units with marine diesels.

25 per cent) will dictate that shipping companies will plump for either slow or medium/high speed diesel engines. The cost savings outweigh the advantages of reliability, easy maintraditionally associated with turbines.

Two other important factors are the shift from large ships to smaller vessels and the increased maximum power of diesel engines (up to 55,000 bhp with a single slowspeed diesel and 65,000 bhp with two medium-speeds). This means that diesel engines are able to provide virtually all the world marine propulsion needs.

Problems

The combination of technical and financial advantages assures the dominance of diesel engines in the marine propulsion market for the time being, but the outlook for the diesel engine builders is not without problems. Most pressing are the continued recession in world shipbuilding and the steady decline in the quality of ships' bunker fuel.

Few people outside oil and shipping companies are aware that a large part of the world's shipping fleet burns oil of such low quality that it is virtually useless for any other purpose. "Bunker C," the main marine fuel, tends to be what is left after an oil refinery has cracked" or distilled its refined products. The large jump in the price of oil means that have one slow-speed diesel. This oil companies are under pressure to maximise the amount of refined products they produce from a given barrel of oil. This, in turn, means that the amount of residual fuel oil available for. ships' bunkers is decreasing and what there is, contains more and more impurities.

deterioration in fuel quality entire marine propulsion mar-within the next few years. The ket; last year their market within the next few years. The viscosity of the average bunker fuel, which determines how easy 30 per cent. it is to handle and store, is fore-

cent to 5 per cent, and the carbon residue content is expected to double to 15-20 per cent by weight.

The engine-builders' main concern is that their engines should cope efficiently with the com-bustion of the poorest fuels. This concern lies behind the rivalry between the low and medium speed diesel engine designers. The low-speed builders, led by Sulzer Bros., claim that low-speed engines are better equipped to cope with low quality fuels than mediumspeed diesel engines. Sulzer Bros. has over a third of the entire marine diesel market.

A slow-speed marine diesel is normally defined as any engine with less than 250 revolutions per minute. It is normally a two-stroke engine. Since it does not need a gearbox it tends to be more efficient. Less cylinders are involved and maintenance and lubrication costs are lower.

The medium-speed diesel engine-builders argue that their products, which normally give up to 900 revolutions per minute, can burn fuel just as poor as the slow-speed diesel engines. In addition, they are more compact (making them ideal for ferries, etc.) and they generally cost less than slowspeed diesels.

The medium-speed engine builders have been waging a campaign to increase the use of this type of engine. Often a ship will have two medium-speed diesels whereas it might only gives more flexibility. If one engine breaks down a ship can still maintain power—an important safety factor, particularly for large tankers.

The leading medium-speed engine designer, Pielstick, of France, has worked hard over the last five years to build up Engine-builders are now workits market share. In 1975 ing on the assumption that medium/high-speed diesels had there will be a further major just under 20 per cent of the share had risen to just over

Last year a total of 1,068 Unless there is a sharp fall cast to increase from 2,000-3,000 engines, totalling 9.5m bhp, in fuel prices over the next seconds to 5,000-6,000 seconds. were installed in 897 ships,

Market share (%) SLOW SPEED 1,649 667 395 122 27.0 M.A.N. Mitsubishi Doxford MEDIUM/HIGH SPEED 1,150 361 255 253 112 Pielstick Sulzer MaK

with steam-turbine engines. Many of these ships, which have

a combined power of over 30m

hp, will be candidates for con-

version. The medium- and slow-

speed engine-builders are fight-

ing hard for a share of the

market which could be as much

as 2.5m bhp per annum—equiva-

lent to over a quarter of last year's entire engine output.

Amalgamated Power Engineer

ing, Britain's licensee for Piel-

stick engines, recently commis-sioned a report on the size of

the conversion market. It looked

at the case of a 1500 TEU con-

tainer-ship and estimated that

conversion to slow-speed diesel

would save \$1.6m a year. With

medium-speed, the saving would

be \$1.73m. It identified a poten-

It found a much bigger mar-

ket amongst tankers of over

200,000 dwt. By installing a medium-speed diesel, an owner

could save \$2m per year. Up to

680 tankers are potential candi-

dates for conversion but the actual number is likely to be

far less because many tankers

are not worth converting given the large surplus of VLCCs in

The possibility of re-engining large number of the world's

steam - turbine - driven ships

should give a welcome boost to

the fortunes of the marine diesel market. But the main

factor affecting the engine-builders will be the health of

the world shipbuilding industry.

In common with most ship-builders, the major engine-builders have suffered badly

from the shipbuilding recession.

World engine output fell from

a peak of 14.3m hp in 1976 to 9.0m hp last year. Denmark's

Burmeister and Wain, the

engine builder, has been par-

ticularly hard-hit and this lies

has been Britain's Doxford,

Shipping Correspondent

William Hall

the world.

tial market of 45 ships.

LEADING MARINE ENGINE BUILDERS-1979

Source: The Motor Ship

WORLD ENGINE OUTPUT

	Number of ships	Total hp (millions)
1970	1,145	11.3
1971	1,211	12.8
1972	1,152	15.0
1973	929	13.8
1974	1,012	14.2
1975	1,027	14.7
1976	1,064	14.8
1977	1,014	12.6
1978	1,091	11.5
1979	8.55	9.0

according to statistics published by The Motor Ship. Some 6.1m bhp were slow-speed and 2.9m were medium/high-speed. 0.5m bhp (5.7 per cent of the market) were steam-tur-

Rivalry

The rivalry between the diesel engine builders is most acute in the area of re-engining. An analysis carried out by Switzerland's Sulzer Bros in April showed that among 42 ships due for conversion from steam to diesel engines, 62 per cent of the 1.54m bhp to be installed, was accounted for by slow-speed diesels. The firm had 70.3 per cent of that market. The remaining 38.5 per cent of the conversions were medium-speed. Pielstick had 48.5 per cent M.A.N. had 29.9 per cent and Stork-Werkspoor, 21.6 per cent.

As a rough guide virtually all second biggest slow-speed diesel of the container-ship engine conversions have been to slow-speed diesel, while most of the large behind its link-up with M.A.N. tanker conversions have of Germany. Another casualty to medium-speed.

Between 1970 and 1978, some which is stopping its engine-900 large ships were constructed building operation.

Economy influences boat owners

THE TREND towards adoption of the small marine diesel engine as the standard propulsion source for fishing boats, work boats, and pleasure boats, is continuing in spite of economic recession in many countries. Manufacturers' estimates of annual demand in the Western world for nearly 60,000 units in the 30 hp to 300 hp range is worth some £150m, are probably not far off the mark.

Small diesel units have long been seen by customers as having an edge over petrol units in terms of reliability safety and longevity. As fuel costs loom ever larger in the average boat-owners' calculations, the economy achieved by modern lightweight high-revving diesels has become the most important

single selling point.
Small engine sales have faced difficulties in the U.S. and Europe in recent months because of poor trading condi-tions generally and high interest rates. Fishermen, for instance, have been reluctant to order new boats or to replace engines on their current boats. But the diesel has become the standard unit in the fishing fleets of many Third World countries, and the volume of orders from that quarter is continuing at a high

The Third World is demanding and getting—robust engines of simple basic design that can easily be fitted into inshore fishing boats. They can be maintained by following simple servicing rules, and by the re-placement of vital parts such as injectors and pumps.

More sophisticated versions of the basic engines now available are also offered by manufacturers to boat-owners who want a comprehensive power package.

Space and weight factors used to deter the average owner of a small pleasure boat from trying to "shoe-horn" a diesel engine into a cramped engine compartment. But the majority of modern yachts are now being designed round diesels of adequate power, and the engines used by African and Asian fishermen are proving sufficiently versatile to meet the needs of yachtsmen in the European and American sailing centres. The addition to the basic engines of powerful electrical generating and control systems, starting motors, turbochargers, and even refrigera-

tion compressors, is providing the nearest to a total power package that amateur safforshave yet been able to enjoy.
Some makers such as Volvo,
Saab, Bukh of Denmark, and Perkins, are treating the small marine diesel as a specialised market, for which engines have to be specifically designed and built. Others choose to "marinise" truck engines to a standard that will make them suitable for

Within the last two years, the new popularity of the diesel carengine has also begun to make an impact on the marine market. These engines are becoming an

Impact

increasingly popular choice for boats because of their availability (the Volkswagen Golf diesel is the most obvious example) and competitive pricing made possible by volume production. If the trend towards diesel cars continues, as many expect it will, the car-makers look like becoming major suppliers of basic diesel units for work boats, fishing boats, and pleasure boats. This could threaten some of the companies concentrating upon marine diesels, and a number of them are already feeling uncomfort-

ably exposed to the competition. BMW, of West Germany, has not simply set about marketing an automobile diesel for marine use. The company has established its own marine engine factory in Bavaria to make a range of small engines up to about 30 hp.

Most of the car manufacturers making small diesel engines are eyeing the marine market as an outlet for diesel units in one form or another. For instance, the new Peugeot 4.90 automotive engine is being sold also

as the Status-marine 4. Diesel engine manufacturers have found little difficulty in capturing markets for boats designed to proceed at conventional speeds, which are linked to factors such as waterline length and displacement of the vessel. Until recently, however, diesels have been less acceptable as power units to lovers of high-speed planing craft: principally because a higher power-to-weight ratio can be obtained from a highly-tuned

 Even that picture is changing engined craft in some senior powerboat races has beiped change attitudes. But the biggest single factor has probably been the development of reliable marine "outdrive units, which enable diese engines to be linked satisfactorily to the special forms of final drives and propeller configurations required in high-

Turbo-charging of diesels has been improved to the point where it can be incorporated in marine models from which high power-to-weight performance is

At the other end of the diesel engine spectrum, new design ingenuity is being applied to make the diesel suitable for even the most primitive graft used in developing countries. A good example is the work done by Petter Marine Diesels, part of the Hawker Siddeley Group. Petter has introduced a diesel alternative to that most versatile of light power-packs, the petrol-fuelled two-strike ... outboard engine.

It consists of a lightweight air-cooled diesel engine clamped to the transom (stern-end) of a boat. A long shaft projects over the stern with a propeller on the end. Petter says a 6 hp version uses only 2.7 pints of fuel an hour, compared with 14 pints an hour for a comparable petrol outboard.

The British boat-building industry saw its total exports for 1978-79 fall by some £7m (b.just under £100m for the year. However, sales of British-made engines have continued to but perform the boating industry as a whole...

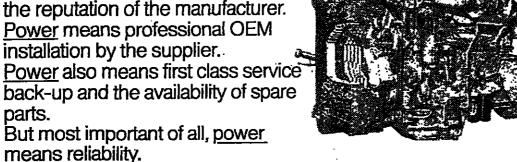
During 1978-79, sales of British outboard and inboard engines on the home market rose in value by some £14m to £44m for the year. Exports of engines, meanwhile, rose in value from £11 to £14m. These figures, compiled by the Ship and Boat Builders' National Federation, may include some engines destined for industrial uses. But they give a firm indication that the British small marine engine producers (whose range is predominantly diesels) are more than holding their own in difficult world markets. ...

Roy Hodson

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Big fall in generator sales

home has combined with a depressingly familiar combina-tion of difficulties in overseas markets, where only a few years ago the British enjoyed great

The strength of sterling, the relative weakness of the dollar and the Italian lire, and increasing pressure from the Japanese and Koreans have all helped to erode the competitiveness of the British product. Political turbulence and instability in Middle Eastern and African countries — hitherto the main buyers of power-units—have also resulted in a marked decline of the total world

In 1977, when total orders in the markets available to UK manufacturers reached about 170,000 sets, the industry was well placed to take advantage of the boom. The miners' strikes of 1973 and 1974 had brought fears among British managers that winter disrup-tions of the electricity supply could become a regular feature of our island's calendar. The surge in orders for standby units after the strikes resulted in a considerable increase in capacity among the major set manufacturers such as Petbow and Dale, and a welcome expansion of business for the main independent manufacturer of alternators, Newage Engineers.

A large number of very small companies also sprang up, many with only half a dozen em-ployees, to assemble sets from bought-in components and for bought-in components and for sale to the emerging markets in the Middle East. Two years ago, there were about 150 such firms in the UK. By 1978 when domestic demand was falling away, the UK still had about half the world market (not including Japan, the U.S. and other "closed" markets) which was running at about 140,000 sets a year.

a year.

Last year, exports of sets from the UK fell substantially, to little more than 55,000 sets. The fall has continued even more sharply this year and some industry estimates put total exports so far at only around 12,000 sets.

Smaller sets have been the main casualty, coming under strong pressure from Japan and the Far East, Ip Saudi Arabia, for example, which only a few years ago was a lucrative market for the UK Japanese manufacturers have taken an estimated 80 per cent of the market for the smaller (3 kVA to 10 kVA) machines by the

The rapid erosion of market share has been much more marked among smaller set manufacturers. Petbow and other companies whose sets are in the range 25 kVA up to 4MVA have been less susceptible to competition from mass produced Far Eastern machines. Even so, the company suffered a 17 per cent decline in sales between 1978 and 1979. The group reported a loss of £398,000 in the year up to March, compared with a profit of £1.6m the previous year. The turnover of Dale Electric also fell nearly £1m to £24.2m in the year up to March 1980, while pre-tax profits fell £2m to only

Dale is hoping to improve its fortunes by moving up-market into the manufacture of highvoltage sets at a new factory in Leeds. Pethow is trying to streamline its operations and to introduce a new range of more sophisticated sets controlled by integrated circuit technology. For the smaller "garage

manufacturers, fortunes have been very mixed. Those which exported to Nigeria and Iran went out of business after the sudden collapse of the market. Others, which have made specialist sets for particularly harsh conditions, such as North Sea rigs, have struggled to However, the strength of ster

ling has meant that all manu-facturers are facing fiercer competition. The challenge comes from Italy and the U.S., which can both offer cheaper sets, and from Germany, where the major manufacturers, led by Siemens and AEG, can match the sophistication, and specialist applica-tions which have been the strong All these difficulties have had a direct impact on the suppliers

of diesel power units. This has been particularly marked for those, like Rolls-Royce, which have relied on sales to set makers. Companies such as General Motors, Caterpillar and Cummins in the U.S., which have tended to put their power units together with alternators to make low priced standard generating sets, have suffered

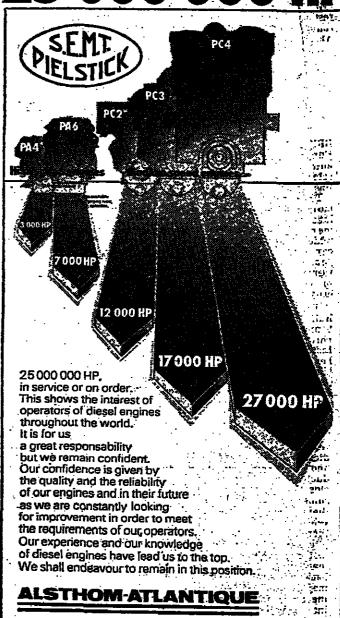
However, if the outlook for set-makers is bleak, the longrange forecast for the market continues reasonably fair. Electricity is not just the food and drink but also the oxygen of industrial life. More and more complicated machines and computers are being built which cannot tolerate even a few

MANUFACTURERS OF diesel familiar strategy of flooding the generating sets in the UK are going through an extremely bleak period. The recession at low prices. familiar strategy of flooding the minutes' interruption of supply. strikes or a poor grid system. The demand for standby or For many British manufacture that the smaller ones, the urgency units is therefore turers, however, particular likely to increase throughout the smaller ones, the urgency units is therefore turers, however, particular likely to increase throughout the smaller ones, the urgency units is therefore turers. the civilised world, not just in hospitals and military establishments, but also among benefit from an improvement ordinary husinesses. The pos- in trading conditions. The sible losses which can result immediate future looks grim. sible losses which can result immediate future looks grim, from a power failure will so that cut-backs, mergers and prompt many businessmen to rationali instal their own generators, easy to particularly in countries where revival. the main public utility has a

For many British manufacturers, however, particularly the smaller ones, the preent question must be whether they can hang on long enough to rationalisation are much more easy to foresee than any fifthre

Max Wilkinson

bad record either because of 25 000 000 HP



Groupe Diesel

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Components manufacturers take optimistic view

BERTISH MANUFACTURERS of ducts comes from Sheephridge components for diesel engines, whose main customers in Europe are suffering from a severe slowdown in demand, size inevitably feeling the side effects, but most are optimistic about the outlook in the medium and long term.

nedium and long-term. The de-stocking of components earlier this year by major buyers such as Perkins, was the first sign of trouble for many simplifiers, but this is now thought to be past the worst and demand has improved slightly, particularly for parts going into engines for generator

hi general, British component shippilers have taken a fairly eartious view of the predicted to boom in world diesel engine which many believe will Take longer to develop than had around been thought. Given the present circumstances, their extention has been justified.

Although some companies csuch as Lucas CAV have suc-- cessfully invested in production facilities in the U.S. (a poten-partially very large market for diesels but developing slowly) many have concentrated on maintaining or increasing their share of the continental market.

The share of the share of the share of the continental market.

The share of the growing fast, UK component suppliers to companies such as Volkswagen, Daimler-Benz, Fiat and Peugeot see good prospects

for immediate growth.

Lucas CAV, which shares the injection equipment market with Bosch, has suffered recently from the poor demand for commercial vehicles, but with a good spread of business in other sectors, it is optimistic, despite

*Expansion

The company has recently six completed its Greenville, South Garolina, plant, to supply fuel in injection equipment to the Olds-::: mobile division of General.Motors under a £30m contract, and sees this as a potential base to expand U.S. production. The U.S. market for pick-up trucks, now running at about 4m a major target if and when diesel engines are more widely accepted as power units.

suffered from what it describes as widespread de-stocking by its producing mostly for their own customers, but the completion of its £10m piston ring plant at Plymouth is a show of confi-

Tiel-High volume batch produchigh value products such as

5 - 577 ET

duces a very large range of components, including bushes, ficant proportion of sales, are pistons, cylinder liners, castings companies such as Renault, pistons, cylinder liners, castings and cylinder heads for larger Fiat, Leyland, Deutz, Lambor-diesels. Its customers include ghini and Same Caterpillar also yirtually all major diesel engine ufacturers in Europe.

also has plants in France rest of Europe, demand in these house, alternatively buying the past couple of years, countries is weak. Much of from a subsidiary company, as European tractor plan AE's competition on these pro- in the case of Deutz, and also tied in closely with the

ducts comes from Sheepbridge The company covers a broad about further sales in North Stokes, now a subsidiary of range of engine sizes right up America.

GKN, in the UK and Mahle and to large marine diesels, where Perkins, a major buyer from Karl Schmidt in Command. Karl Schmidt in Germany.

However, AE believes that work being done by its Wellsworthy subsidiary on computerised products evaluation. enabling it to reduce the development periods on components considerably, will assist it in improving European market penetration.

The biggest UK supplier of forged diesel components such as craukshafts, conrods and camshafts is GKN, which has five divisional companies with a total forging capacity of 250,000 tonnes a year supplying the automotive and allied industries. Customers include Cummins, Perkins, Gardner, Volvo and Saab-Scania, Daimler-Benz, Daf and Mack trucks and John Thomas in the IE Deere in the US.

demand has been particularly poor recently. Overall, nearly 20 per cent of sales by GKN forging companies are overseas. Birmid Qualcast, a leading supplier of castings such as cylinder blocks and heads, has suffered considerably from the problems in the past few

months in the commercial vehicle industry, but reports some improvement in demand from companies such as Listers and the larger engine makers. It attributes this to improved export orders for engines used for industrial or agricultural purposes, particularly those of simple and robust design.
Although the company's export
activities are being hindered by the strength of sterling and widespread over-capacity in the

foundry industry, it is hopeful

Perkins, a major buyer from GKN, Lucas, CAV and AE, acquires around 80 per cent of its engine parts from outside sources, mainly in the UK, although it often pursues a policy of dual sourcing. Now facing serious difficulties due to the poor farm equipment mar worldwide, Perkins is making strenuous efforts to con-tain costs and sterling's strength is making some foreign components look attractive in terms

of price. With the company now spend-ing around £150m a year on UK-made components, it appears that British suppliers wil also need to keep a close watch on costs if they are to retain their UK market and make headway in Europe.

Lorne Barling

High interest rates hit U.S. tractor sales

AGRICULTURAL VEHICLES diesels, accounting for as much as 20 per cent of diesel output. The prime application is to power tractors, and it is there-fore worthwhile to look at this sector in some detail.

Tractor manufacture is highly concentrated among a few big multi-nationals in North multi-nationals in North America and Europe, while Japan is becoming more significant in international international sales. The multi-nationals are complemented by tractor com-panies which make and sell them mostly on a national basis. although in some cases these companies are manufacturing under licence from the multi-

- The main areas of tractor production therefore are: North America, Europe (particularly the UK, France, Germany and Italy), and Japan. Some of the Associated Engineering, East European countries also which attributes nearly half its £370m a year turnover to some important on an inter-original equipment and spares national scale. Those other for diesel engines, has also countries which have a fair-tuffered from what it describes sized output such as India, are markets.

The multi-nationals are: John Deere (the world's largest agri-Fin at the plant will be aimed to plant and the plant will be producted to plant in plant and the plant aimed to plant in plant aimed to plant will be aime cultural equipment manufacpany is J. I. Case, subsidiary of Tenneco, whose European whose European rings and bearings can best be interests include David Brown met from its UK facilities. Tractors in the UK. On a Overall, the company pro smaller scale, but each with exports accounting for a signi-Fiat, Leyland, Deutz, Lamborsell tractors for agricultural

usage.

AGRICULTURAL VEHICLES Massey-Ferguson, buying from are a major application for Perkins.

Sales of tractors, and the type of tractor, are determined by a number of key factors: agricultural methods, farmers' in-comes, and in the developing world—a big market for tractors-the availability of international financing. The level of income received

by the farmer depends in turn on a number of considerations as well as the more traditional influence of good harvests. These include support payments, the Common Agricultural Policy in the EEC, and grain embargoes to the Soviet bloc such as that in the U.S. earlier this year.

So far 1980 has been a very poor year for tractor manufacturers in the West. A combination of factors, of which high interest rates was particularly significant, took a severe knock at North American sales in the

Short time

short time and/or closed down for long periods this summer. The final outcome will depend heavily on the willingness of farmers to commit themselves to purchases this autumn.

The multinationals' European plants have also been hit by the North American downturn. As an example, International Harvester's plant in Doncaster. England, is the sole source for the small IH tractor, many of which sell as second and third

tractors on big U.S. farms.
Nor has the European situation been much better. Demand in the UK, for instance, has dropped by about a quarter this year-heavily influenced by the Each of these companies has level of interest rates, as well,

European wactor plants are

buoyancy of markets in the developing countries. For instance, many tractor comvanies felt the pinch when the Turkish market dried up completely three years ago because of the country's international credit problems.

On a longer-term view, certain trends can be projected: sales in the UK, France, Germany Scandinavia and the Low Countries are likely to settle at a somewhat lower level than over the past decade (after ironing out the cyclical variations, which are considerable for tractors). This is because the move to mechanisation, in Germany and France in particular, has gone largely as far as it is likely to.

In southern Europe, however there is considerabl scope for greater mechanisation. In Italy, the move towards four-wheeled tractors will accelerate, while agriculture in Greece, Spain and Portugal will all become more mechanised if and when thse countries join the EEC

Like North-West Europe, the All the big tractor companies North American market is have put their workforces on mature, but it can be expected to recover from its current low point as general economic conditions improve. Some observers believe that low horsepower Japanese tractors will also become more noticeable in Europe and North America—the type of tractor in which Japanese manufacturers specialise.

The pronounced trend in European markets in the past few years, however, has been towards the higher horsepower tractors. In the UK, for instance, tractors in the 65-79 bp range are now the most popular, wheras only three years ago it was those in the 50-60 hp range. The lower horsepower tractor

is still most in demand in the developing countries, as well as and Italy, producing pistons and its own diesel engine manufac- say the farmers, as a big reduc- in Japan where agricultural con-evinder liners, but as in the turing facilities—sometimes in- tion in their real incomes over ditions are different from those ditions are different from those

H.D.

Reliable market for fuel

BRITAIN IS behind Continental fall by 1.5 per cent during the Europe in its consumption of next half decade. satisfied the constraint of th ing upwards year by year.
Throughout Europe, the automotive diesel fuel market falls

into two distinct sectors: come Continental counterparts. But and buses of over 3 tons' mercial transport, and retail, the pros and cons of diesel are weight are powered by diesel which covers ordinary, saloon far more nicely balanced for engines in Britain today, and car motorists. In Britain last private car-drivers. which covers ordinary, saloon-car motorists. In Britain last year 6.58m tonnes of diesel fuel were sold, of which 5.329m went to commercial customers and only 0.729m to the retail side.

This amount was less than half—37 per cent—of the 17.7m tonnes of petrol that were sold through retail outlets in the UK last year. What is more demand for diesel fuel this year is lower than last year. The oil industry estimates that consumption will be L1 per cent lower overall, but 6.7 per cent down on the rediffer in the commercial sector.

The recession is the main for this year's fall in diesel consumption in Britain and the rest of Europe. As production is cut back, factories close and demand for con-particularly powerful performsumer goods of all types drops. there are fewer commercial:

therefor lower diesel sales: The tiny proportion of private: motorists whose cars have opposed to petrol is consider-diesel engines are also cutting able for the commercial secback on car outings. Yet the tor. Although the retail pump major oil companies are look- price of diesel is in line with ing for a slow but sure growth; that of four star petrol, road int he disel market once the hanlage operators buy in bulk slump ends. They are forecast and can therefore demand a ing an 8.5 per cent increase in sizeable discount. But it is hard sales in the UK between now to know exactly how cheaply a and 1985-all of it on the com-large transport group can buy mercial side. They expect com-diesel—both the oil companies mercial sales to grow by about and their road hadiage custo-9.8 per cent, while they predict mers are coy about queting bulk that retail sales may actually diesel fuel prices.

to British concerns than to their private car-drivers.

More reliable

Diesel engines are more reliable than petrol engines and give between 15 per cent and 20 per cent more miles to the gallon. But they are also less powerful, heavier, smellier, noisier and—most important— From the oil companies' more expensive than petrol point of view, the diesel market has a number of attracengin**es**:

Reliability and the higher mileage per gallon easily out weigh the disadvantages as far mercial vehicles keep rolling as road haulage companies are concerned. The extra capital cost of buying a diesel vehicle ean be quickly recouped through lower fuel costs and reduced maintenance charges. Nor do lorries need to turn in ances road hanlage operators do not want their drivers to act vehicles on the roads and as if they were behind the

wheel of a sports car. The lower cost of diesel as opposed to petrol is consider-

Trucks can also take full small surplus of gas oil, the re-advantage of the extra mileage fined product which is used to per gallon offered by diesel make diesel.

For these reasons, all lorries cial vehicles running on diesel is also increasing steadily. But on the Continent, the switch to diesel for the commercial sector came much earlier, even the smallest vans tend to be diesel-powered. This is why nearly all the diesel engines in the UK are foreign made.

tions over the petrol market. It is more reliable, since comwhatever the weather. By contrast, sunshine, or the lack of it can have a dramatic influence on petrol sales to private motorists. And it is the commercial sector of the diesel market that is imporant to the oil companies.

Commercial diesel customers also have their own largescale tanks, which means the oil companies can make a small saving on the capital cost of their own storage.

The recession coupled with the current, comparatively high crude oil production rates of the Organisation of Petroleum Exporting Countries have helped produce a glut of petrol and of other oil products at present. But even after the economy starts to turn up again and world oil production is reduced -OPEC is likely to agree on production cuts this autumn-Britain is still likely to have a Chemicals Correspondent

Oil companies in the UK

therefore have an added reason for welcoming the expected increase in the diesel market. On the other hand, automotive diesel fuel is marginally more difficult to make.

Throughout Europe, oil companies are upgrading their re-fineries to obtain more flexibility in their product "mix and, in particular, to obtain more of the lighter oil products such as petrol. The catalytic cracking units that are being used to upgrade refineries produce motor gasoline plus what are known as "cycle oils." The latter have to go through a desulphurising process before they can be turned into diesel.

The commercial diesel market will grow, so the oil companies hope, as a result of increased industrial activity during the next few years. In Britain it will probably increase faster as smaller vans are powered with diesel instead of petrol engines.

But nobody is expecting rapid rise in the retail diesel market where the private motorist is the customer. The main reason is the cost of cars ≟e diesel saloon costs up to 10 per cent more than a petrol engined car.

Here too, the Continent leads Britain. In the UK less than 5 per cent of private cars are diesel powered, whereas in Germany the proportion is estimated to be nearer 10 per cent.

Sue Cameron

Drive Steyr The highly modern commercial vehicles of the STEYR-Plus-91 truck model series are a combination that meets the ever more pressing demands for thriftiness and high performance, for a proper relationship between costs and benefits or, in other words, for greatest efficiency and economy. This is proved time and again by tests conducted by inter-

national trade journals both as regards daily use on construction sites and in short- as well as longdistance haulage operations. The entire technical design concept makes full allowance for the paramount demand for thriftiness: every truck of the STEYR-Plus-91 model series is built in accordance with modular design princi-

the optimal relationship between performance and

ples, with every detail closely adapted to provide

frames, driver's cabs, power trains, wheelbases, suspension systems, front- and rear axles, auxiliary drives etc. This not only results in a particularly efficient and versatile range of commercial vehicles. but also in exceptionally fine service.

The necessary technical preconditions for extreme thriftiness are provided by greatest possible reduction of internal friction in the engine, improved design of the piston rings and consequent reduction to only 3 rings, precision-honed cylinder liners, nitrided crankshafts, the use of Visco-fans, turbosuperchargers, charge cooling etc. The improved combustion process also results in improved ecological conditions.

STEYR-Plus-trucks of the Model Series 91 are supplied up to a g.v.w. of 32 tons or a gross train weight of 38 tons, engine outputs up to 235 kW (320 hp), transmission options and axle ratios for

all operating conditions, 2-, 3- and 4-axle models in the versions 4x2 to 8x4, trailed and leading rear axles, 2 steered front

Save Fuel-

Steyr Plus 91 truck model series

Superiority becomes dearly noticeable.



"When Volvo introduced the turbo in 1954 few people realised just how much this would mean to the diesel engines of the 80's."

A consequence of rocketing oil prices is the intense interest now being paid to the ability of engines to turn the energy content of fuel into power strokes.

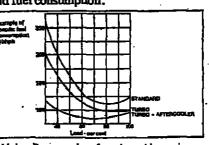
Normally one can say that the average petrol engine returns an efficiency level of approximately 30%. We should compare this with the more than 41% efficiency level obtained by the new generation of Volvo Penta diesel engines.

Efficiency levels which can be improved still further. Within the Volvo concern turbocharging is the object of intensive research with aims of utilizing still more fuel energy content and developing still more effi-

In 1954 Volvo caused a world-wide sensation by being the first manufacturer ever, anywhere, to introduce a massproduced, turbocharged diesel engine.

This caused waves in many engineering circles and discussions were intense, centered on the pros and cons of the turbocharger.

Today most experts are agreed that the turbo is important to the control of diesel engine combustion processes. But inspite of this there remains a gulf of difference between different engines' performance and fuel consumption.



Volvo Penta engines function with an air surplus of more than 25%. This means that the injected fuel is burned more effectively.

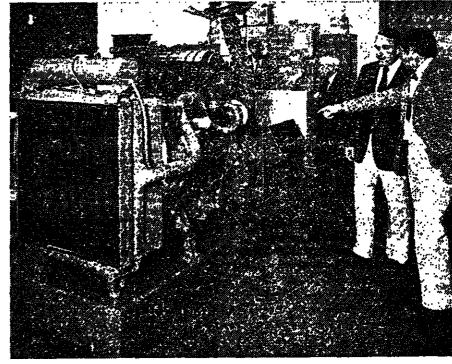
THE IN-LINE SIX. TOUGH AND RELIABLE.

The turbocharger itself can simply be described as an exhaust gas driven compressor which forces more air into the cylinders. It is air, or more correctly the oxygen in the air, which decides how much fuel the engine needs per power



Since the turbo is driven by the engine's exhaust gases, it makes use of energy which would otherwise be wasted.

At the same time strain is increased on easkets, camshaft, bearings etc., and so it



Valvo Penta's new intercooled gen-set engine, the TID 120 FG, being examined by ABGSM technical directors (Association of British Gen Set Manufacturers). At 25 rls the engine produces a continuous power output of as much as 217 kW, including fan. is very important for the engine to have

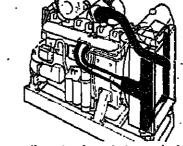
been originally designed for turbocharging. Volvo Penta have found that the in-line six is a superior basic design for this pur-

pose. A simple, well-proven engine with few moving parts and well proportioned dimensions. Volvo Penta have built a number of

technical innovations into this superior basic design which further strengthen the reliability and life length of the engine. Piston cooling, double lubrication oil filters, air filter with intake silencer to name but a few.

NEW GEN-SET ENGINE WITH AIR COOLED INTER-COOLER.

The intermediate cooler represents an important stage in the development of turbo technology. As the name suggests, the technique consists of the compressed - and thereby heated - air being cooled on its way between turbo and cylinders.



The illustration shows the intercooler located behind the ordinary radiator. Temperature drop is about 100°C, or from approximately

Cold air contains more oxygen than warm air and when this is driven into the cylinders better fuel consumption and a cleaner, cooler exhaust are attained. Lower temperatures also mean less

mechanical wear. Which contributes greatly to engine reliability and long life. MANY USAGE AREAS.

QUALIFIED SERVICE.

Each task makes different demands of an engine. Concerning not only fuel consumption, but also exhausts, noise level, installation volume, power output, etc. Volvo Penta have developed their tur-

bocharged in-line sixes for a selection of different applications and working conditions. The engines are used for building into trucks and special vehicles, in construction machines, as power sources for pumps and generator sets, as propulsion engines in work boats and auxiliary engines aboard larger ships, as complete power packs in desert irrigation . . .

Responsible service and a well-proven program of transmission components (many vehicles are delivered now with complete Volvo drive systems) are other factors which have greatly contributed to Volvo Penta's success. Contact us and we will be pleased to

supply you with further details. VOLVO PENTA

S-405 08 Gothenburg, Sweden. CONTINUOUS DEVELOP-

MENT INTO THE 80s.

COMPANY PROFILES

Cummins' backbone is heavy trucks

duty trucks, where its penetration of the U.S. market has been as high as 50 per cent. But

The company is currently at a particularly interesting stage because it is on the point of extending its engine range towards the lighter end of medium size diesels. The two projects in question concern the 10 litre engine, with a horsepower range of 230 to 290, which has been developed solely by Cummins; and a new range of 50 to 250 hp engines which are under joint development with J. I. Case, the construction equipment manufac-

The existing Cummins range is based on the NH series—the Shotts plant in Scotland will lower end of which is used by also assemble the engine.

strength is in engines for heavy in automotive and industrial some success in penetrating the applications, and form the backbone of Cummins. They are supplying, for instance, Lieb-continually being modified to herr, O&K and Poclain — its as high as 50 per cent. But Cummins is also a major supplier of industrial engines for cranes, excavators, mining enginement, etc. which require larger engines, and also engines for power generation and marine applications.

continually being modified to improve fuel efficiency. At the same time, Cummins is increasing the rating of its larger 12 and 16 cylinder industrial engines—KV12 and KV16 made at Daventry—and effectively increasing the upper end of its product range to 1 800. creasing the upper end of its product range to 1,800.

The 10 litre, however, is the engine which is expected to put Cummins firmly into the full range category. Mr. Michael Howell, European business operations director, says: "It will mean that Cummins can get away from its reputation for

heavy engines."
The 10-litre, or "blue engine" as it is called in Cummins, is scheduled for launch in the U.S. and Europe over the next couple of years. The major component lines are being put down at Cummins' Jamestown, NY, plant, but it is expected that the engine production. For the in-

CUMMINS is one of the largest ing Leyland. Ford and ERF— Cummins's attempts to break independent producers of diesel engines in the world. Its engines. These engines are used Although the company has had extremely a support of the company has had engines. industrial equipment market efforts to break into the Continental truck market have so far been frustrated by the pre-dominance of "in-house" dominance of engines. The Ford Transcontinental truck, however, which is sold throughout Europe is powered exclusively by Cummins.

In the U.S., Cummins's concentration on the heavy duty truck market has resulted in it losing out on the growing dieselisation among medium duty trucks for which its product range is not currently suited. The new engine, originally designed more with Europe in mind, will provide a substantial boost to the range, in North-America.

Engine manufacturers increasingly emphasise the huge cost of tooling up for new dependents, the burden ideally needs to be shared with an —a graphic illustration of the OEM which agrees to take a pressures on all diesel engine

Cummins' statement of earnings 1979 Net sales 1.770.834 1,520,748 Earnings before income taxes 82,751 120,807 Provision for income taxes 24,813 56,408 \$57,938 Net earnings

proportion of the output. Cummins has accordingly been looking for partners in Europe on the 10 litre — originally it had Leyland in mind because of Cummins's strong links in the UK but Leyland's truck volumes look increasingly like being too small for such an arrangement.

In the U.S., Cummins has linked with Case and with Ford on joint development studies. The Ford project for a car diesel engine, however, was abandoned earlier this year. The Case project is still very much alive, and plans for a new progress.

new smaller range, Cummins will find itself in a completely different marketing set-up from that of its traditional markets. manufacturers making engines Its progress will be watched with particular interest by European diesel makers, who are hoping to benefit from the perfecting that product. growing demand for diesel power in the U.S. in the lower

horsepower categories. In the second quarter of 1980, Cummins made a loss of \$13.1m

Cummins' penetration of US truck market

	Total U.S. diesel truck volumes	
1975	96,697	37.1%
1976	119,772	49.3%
1977	167,202	47.2%
1978	192,278	41.6%
1979	207,292	39.3%
1977 1978	119,772 167,202 192,278	49.3% 47.2% 41.6%

makers in the current recession joint production facility are in and on Cummins, which relies progress. Case will probably take half Cummins, however, points to the output; but in selling the strengths of the independent of the production in this ent engine manufacturer: earnings are continually ploughed back into the development of engines alone, unlike those as a component part of their final product, and who have to be constantly seeking ways of

> Given the pressures on the truck manufacturers in the U.S. to conform to tighter emissions standards, etc., Cummins argues that its specialism is unrivalled.

Oil price rises aid Japan's industry

OIL PRICE rises and the con- facturer of construction machinsequent demand for more fuel efficient engines has propelled the Japanese diesel engine industry in recent years. Car manufacturers are using more diesel engines while ship-builders are turning to medium-speed diesels which are

superior in fuel economy. The Japanese diesel engine industry got its start with licences from major foreign companies. For instance, Perkins Engines. part of the Massey-Ferguson group, had a licensing arrangement with Toyo Kogyo Co of Hiroshima, manufacturers of Mazda cars.

Mr. Thomas Firbank. Perkins Engines in the Far East says the company had a licensing arrangement with Toyo Kogyo from 1965 to 1975. Since then, there has been technical collaboration.

Perkins and Toyo Kogyo are working on joint development of new engines. In fact, Toyo Kogyo makes some of Perkins's engines for worldwide sales. Perkins is also selling marine engines through Yanmar Diesel

Engine Co. Cummins of Columbus. Indiana, has a long association with Japan. In addition, Detroit Diesel, subsidiary of General Motors, Caterpiller, and Volvo of Sweden are represented.

In the marine sector, Ishikawajima-Harima Heavy Industries, Nippon Kokan KK and Fuji Diesel Co. build Pielstick engines under licence from Societe d'Etudes de Machines Thermiques (SEMT) of France Mitsubishi Heavy Industries and Kawasaki Heavy Industries have a licensing agreement with Maschinefabrik Augsburg-Maschinefabrik Augsburg-Nuernberg (MAN) of West

Hitachi Zosen (Shipbuilding) and Sumitomo Heavy Industries have a licensing agreement with Sulzer of Switzerland Mitsui Engineering and Shipbuilding and Hitachi manufacture and market B. and W. engines under licence from Burmeister and Wain of Denmark.

Generally, diesel engines made in Japan can be divided into five types: automotive. industrial (which includes generators and air compressors). construction, agriculture and marine.

The automotive sector is a captive market in which most manufacturers build their own engines.

includes construction and agri-H.D. culture. Komatsu, the big manuery and industrial vehicles, makes engines under licence from Cummins but also manufactures its own engines.

Cummins also imports larger diesel engines. Its range runs from 150 hp to 1,600 hp while the Japanese range is between 70 hp and 400 hp for the automotive market.

Trying to get any authoritative figure on production of diesel engines is virtually impossible. Each sector keeps its own records and often these overlap. For instance, diesel engines are classified as marine even if they are only used for winches since they are mounted on board ship. Likewise, auto-motive engines can also be classified as construction or agricultural, depending on their

Only figures

North America

Southeast Asia

Middle East

Total

Western Europe

The Japan Automobile Manufacturers Association was the only group to provide figures for its sector. JAMA said that in 1978, 65,011 diesel car engines were produced. The total was

diesel engines were 591,543 in 1978 and 613,747 in 1979. Pro-duction of marine engines in 1978 was 209,836 and in 1979

engines a year, but is only work-ing at 70 to 80 per cent capacity. Of this, 90 per cent goes towards its own construction machin while the remaining production goes to other companies.

Kawasaki HI, Toyo Umpanki (TCM), Kobe Steel and Hitachi Construction are also major users of diesel engines. In high speed diesels, the major share of the domestic market is held by Yanmar, Mitsubishi Daiga Isuzu Motor Co., Nissan Motor Co. and Hino Motors.

Tsuzu supplies some diesels te General Motors, which holds a 34 per cent interest in the Japanese company. Recently GM asked four Japanese manufacthrers to supply 100,000 desel engines over four years begin-ning in 1982. All refused since they were producing at fall capacity for their own needs!

In the marine sector, meditin-speed diesels are playing a major role because of soming bunker oil prices. These medium-speed engines, which bunker oil prices medium-speed engines, are superior, to low - speed engines in fuel economy, aiso Ministry of International able for car carriers, ferries and Trade and Industry figures for roll-on/roll-off ships in which production of general purpose diesel engines were 501 549 These engines are installed in medium-sized tankers of the 60,000 dwt to 80,000 dwt elass.

John Küiii

17,267

- 4,032

16.933

121.736

16,198

195,401

GEC Diesels made up of six companies

federation of independent and is, therefore, particularly engine-makers, each very much susceptible to the competitive with its own identity, markets, forces affecting all companies and organisation. Annual sales in this area. of the whole group are in the As much as 70-80 per cent of region of £200m, which puts it its output is sold to original in the top league, not far behind

the group spans a very wide range. Dorman, Kelvin and own specialist markets, and this the market for small diesels. has to some extent insulated the group as a whole from the world-

wide recession in the industry. The most adversely affected company is Dorman, which a few years ago was the largest

equipment manufacturers in the UK. It, therefore, finds itself The group consists of six com- inextricably caught up in the panies, four in the UK, one in downturn affecting sales of France (Baudouin) and one in equipment, particularly in the the U.S. (Alco). In engine size, industrial sector. The Stafford workforce has been cut back by 30 per cent over the past couple Baudouin are within the 20-1.000 hp bracket, and Ruston, Paxman and Alco from 500 to Diesels, agrees that future stra-5,000 hp. Each company has its fegy will depend on the state of

Difficult years

Ruston, whose main applications are marine propulsion and power generation, has pulled. in the group but now contri-butes only around 15 per cent to years. "We have employed an its total sales. Dorman, which aggressive sales policy in the UK and overseas, and this has

some good overseas contracts," says Mr. Powell. Orders have Indonesia, and particularly interesting orders from Saudi Arabia.

Although GEC policy is to allow the individual companies to pursue their own courses, there is an overall level of coordination in areas like marketing (this does not include selling, however, which is handled separately by each company). technical matters and, to some degree, manufacturing.

The most important example of inter-company co-operation is the new 6,500 hp engine which has been developed at Ruston and will shortly be going into the UK factory and also into Alco in the U.S. It will enable Alco to keep up diesels in certain applications, Alco is in a good position to

been received from Nigeria, per cent over the past 15

and it gave GEC the opportunity to have a crack at the difficult U.S. market. Mr. Powell believes that local manufacture is vital in the U.S., but also that GEC has been able to give a considerable boost to Alco.

The American exercise has been rewarding enough to precipitate prompt expansion of Alco-the company's order book is currently very good—and GEC is currently looking at new sites. Paxman, based in Colchester,

with the trend towards larger England, is GEC's other producer of large diesels. The two which could be significant for major markets are defence exports as well as U.S. sales. equipment in the UK and overseas-fast Navy patrol craft, production (about 3,000 units a yielded us a larger portion of benefit from the devaluation of minesweepers. etc.—and rail

GEC DIESELS is a loose-knit year), produces small engines a declining UK market and also the dollar aginst sterling; its traction. The outlook for the price advantage over Ruston in latter is cyclical. British the UK is of the order of 30-35 Rail's order for 250 engines for the High Speed Train, which nonths. has stretched over 4½ years, GEC bought Alco from terminates this year. The com-White Motor three years ago; pany has received a small order the company has obvious pro-duct affiliations with Ruston, pects for diesel-powered railways are not good.

> Kelvin, a small company specialising in engines for fishing boats and other small craft. has had a difficult time. But a big order from Burma recently secured at least one year's work for the company.

GEC diesel companies have a sound reputation for good specialist heavy-duty engines-the true long-life diesel. The problems in British industry, compounded by the strength of sterling, make the group's overseas purchases all the more significant

The Baudouin acquisition, however, has not led to a big increase in Continental sales. and GEC must be considering whether it needs to make new moves in order to become a greater international force in

JAPANESE PRODUCTION OF DIESEL ENGINES

Source: MITI

JAPANESE DIESEL ENGINE EXPORTS

10.318

engaged "upstream"

to bigger engines,

WORLD LEADERS IN ENGINE

AND COMPONENT RESEARCH

AND CONSULTANCY

PRS is continuously engaged in engine and

component research and consultancy in

markets around the world and works for

most of the world's leading companies.

PRS

has a computerised engine data base

has skilled staff specialising in engine

carries out some 40 major projects a year

has field research skills and experience

and through

John Martin Publishing Limited

provides

Engine and Component Publications

World Engine Digest 1980/81

(Oct/Nov 1980) £125 (A4; 275 pp)

A unique statistical and qualitative review of

world engine production covering output in:

every continent (broken down by 34.

countries) analysed by fuel type, engine

size and by main application area; features;

news; company profiles; and a

comprehensive company directory.

markets

The two Italian companies,

Rupert Cornwell

alliage.

150.194

10,387

203.994

	1978 1979 1980 (Jan. Jane)
Standard trucks	355,385 396,367 203,809
Small trucks	255,302 322,392 - 187,051
Large buses	14,632 15,550 8,494
Small buses	13,989 15,941 11,631
•	Source: JAMA.

Service means helping the customer. Sulzer service goes further—right to the product. So it keeps serving the customer. Reliably.

In faraway places service must be near at hand.

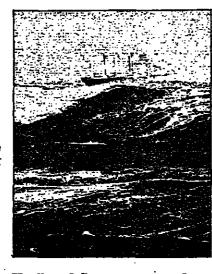
The freighter was bound for Japan with 700000 boxes of lemons. 300 miles northeast of Hawaii the engine failed. In heavy seas. And above the roar of the storm, the air fell silent as radio contact was lost after a terse signal to the London owners.

A Sulzer service expert was in Honolulu at the time. Acting fast, he chartered a tug which set course for the last known position, reaching the fruit vessel after 36 hours. Once aboard, he got the engine going enough for the vessel to make for Hawaii under her own power. Here the repair was completed.

Salzer produces equally reliable machines, components and systems for use in:

- Power generation ■ Private, public and industrial
- construction ■ Textile industry
- Pulp and paper industry ■ Chemical industry
- Foodstuffs industry
- Utilisation of oil and
- natural gas ■ Transport
- Environmental engineering ■ Medical technology

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Hardly a daily occurrence, of course. But not all that unusual, either. After all, there are 5500 ships with Sulzer diesel engines plying the oceans of the world.

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Examples of Italian success

Lombardini, are both sufficiently successful, and both nave too much in common for it to be merely the product of coincidence. In fact, in their similar ways, both represent much of what is most flourishing and dynamic in the

national economy.

Both companies are around 60 years old. The first Ruggerini engine (a four horsepower single cylinder model for agricultural use) was produced in 1919. Three years later Signor Adelmo Lombardini founded his own family firm which today has grown into Lombardini Fabbrica Italiana

Both concerns are based at Reggio Emilia, a medium-sized town about 40 miles to the north of Bologna, and one has become a good example of the current boom enjoyed by Emilia Romagna, fast turning into one of the wealthiest industrial regions of Italy. The boom is founded on hard work and on small and medium-sized companies—today more than ever the linch-pin of the country's prosperity. Lombardini and Ruggerini are

perfect specimens.

The bigger of the two by a considerable margin is Lombardini. In 1978, the last year bardini. In 1978, the last year for which figures are available, it reported sales of L64.7bn (£32m) up from L54.6bn the previous year.

Ruggerini only expects in 1980 to top L20bn (£10m) turnover—but like Lombardini it has built up from a small base.

has built up, from a small base by international standards, a thriving foreign business. Its sales and service network now operate in 84 overseas coun-Lombardini for its part has five

THE TWO leading Italian diesel extending to 100 foreign coun-panies including the Spanish manufacturers, Ruggerini and tries. In some cases this in- offshoot Hispanomotor.

mercial subsidiaries. Both companies in their concentration on smaller engines have been pacemakers in the process of change which has turned the diesel engine from something unwieldy and slow into a flexible and highly compact unit. In the case of Ruggerini, the power of the 40 different engine models it produces ranges from 8 hp up to 45 hp. They include industrial air-cooled and water-cooled motors, diesel-powered pumps, as well as the marine diesels (again both air and water-cooled) for which Ruggerini is perhaps best known.

Today Ruggerini, like Lompollution, and to cut down their fuel consumption. In Italy, diesel engines

already draw considerable ad-vantage from the cost of their fuel (less than half that of ordinary petrol). But industrial and civil heating systems offer tempting areas where progress on, energy saving can most probably produce major dividends in terms of sales. Indeed the small diesel sector is one which looks set to weather with comparatively little trouble the feared recession which could well hit prospects for bigger

Different scale

Lombardini, whose headquarters is just a few miles from that of Ruggerini, is on an altogether different scale. operate in 84 overseas countries, while Ruggerini motors are today manufactured under 1,000 people in all—of whom hards as far afield 600 are outside specialist "sub-Lombardini's contractors," Lombardini's workforce in Reggio alone totals 1,600, while another 1,000 foreign licensee producers and totals 1,600, while another 1,000 a sales and after sales network are employed in associate com-

EUROPEAN SMALL DIESEL PRODUCTION (1978) Units Italy Lombardini 140.000 Ruggerini 40,000 UK Lister 80,000 Petters 50.000 Ħatz 55,000 Germany 15.000 Farymann

Total annual production is production cycle of its engines. wholly-owned running at around 220,000 diesel

units plus a further 150,000 in keeping with their counter-petrol-powered engines. The parts in other industrial fields range covers motors from one in Italy, are blessed by two to four cylinders, generating a factors: their comparatively power of between four and 70 small size, allowing flexibility power of between four and 70 small size, allowing nexishing hp. The company likes to boast and good labour relations and its versatility—for example, their degree of specialisation. Standard accessories offered This last has helped-build up mean that up to 5,000 configurations of basic models are available. This enables customers to were to expand their range in higher angular and their range in higher angular almost tailor a particular engine to their own precise requirements. At the same time

bardini is concentrating its efforts in two main areas: to improve the environmental acceptability of its engines, by reducing both noise levels and

200,000 600,000

stion on PRS services, contact: Ken Watson, Director, Industrial Engine and Component Division, Planning Research + Systems Limited, 15 King Street, London WC2E 8HN: Telephone: 01-379 3435 Telex: 23442 PRSLON G .

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as Limited

Britain strives to keep in the big time

major textile machinery exhibit mention to Milan

injured local pride. The 1983 and their goods from centre to international Textile Machinery centre which makes fairs and Association exhibition would exhibitions such big business.

Esve earned the region around Hence the anger in Birming £100m and underlined the fact ham ten days ago when it that Britain now has an finally became clear that the estibilition centre able to com- National Exhibition Centre had efe with its rivals elsewhere in Europe.

The competition is fierce. Britain may enjoy a place on exceptional in terms of its size. The international circuit for the last time it was held, in huge, peripatetic fairs which Hanover, there were 150,000 move from centre to centre visitors, of whom about 75 per eyery two, three or four years. cent came from overseas. But -Birt keeping up in a rapidly even at smaller international growing business is hard work occasions held in Birmingham, and some British exhibition the average international attendcompanies believe that Britain

some disadvantage.

Modern fairs come in infinte variety, from well-publicised occasions directed both at consumer and trade like the Motor Show and the Ideal Home Exhibition in this country to week's millinery fair in week's millinery fair in Wesbaden and forthcoming events like the hydrometeorological technology exhibition in Moscow.

And the costs to the companies come in infinite variety too. The British Overseas Trade Board has, for example, rented space at the Jeddah Electricity Exhibition in February and March 1981. It will charge British companies £75 per square metre and provide a basic stand. But after that the companies have to meet extra construction costs, travel. freight accommodation and so

Exhibiting heavy electrical goods in Hanover last year cost Hawker Siddeley a basic £35,000, but the true costs were higher. In the first place there

BIRMINGHAM is still smarting costs, not to speak of the time, from the news that its National hotel expenses and entertain-Exhibition Centre has lost a ment carried out by 14 sales-

It is not just a question of associated with moving people

Milan .

even at smaller international ance is 20 per cent, and it rose

explain the rivalry on the European fairs circuit. Specific figures are difficult, but in 1978, AMK Berlin, the owner of exhibition halls and an organi-

visitors to the International Slot Machine Exhibition; no doubt but visitors to an antiques fair

Aston calculated that £21.8m was spent by visitors and exhibitors at the National Exhibition Centre (NEC) in Birmingham. The amount has grown sharply since, as the NEC

It is precisely the spending

lost the textile exhibition to

This particular exhibition is is having to compete under to 34 per cent for a recent international plastic fair.

Modern fairs come in infinite So the stakes are high, and

> The biggest spenders were giving practical demonstrations, They spent an average DM 299 spent only DM 134 a day. In 1976-77, the University of

TOTAL UK SPENDING ON EXHIBITIONS* 440,000 Hanover 241,000 Paris . 235,000 203,000 Cologne 200,000 Zagreb 185,000 Frankfurt

Birmingh:

ages. In design, ease of access and compactness, it is first in Europe, claims Mr. Terry Golding, the chief executive. In the chief executive. In size it is ninth, after Hanover, Milan, Paris, Cologne, Zagreb, Frankfurt, Dusseldorf and Brussels. The NEC has 101 square metres of space. Hanover has 440,000 square metres.

But because the NEC is new, it has beavier financial charges than the main continental centres. "We are looking to service a debt of £40m at threehas increased its business and quarters of average interest as inflation has risen.

Since opening in 1976 at a costs and interest charges. We are trying to cover costs of £40m, the NEC has are trying not to lose money. Taken the lion's share of the Up to now it has not been posmajor UK trade fairs but com- sible to cover interest charges. was a BOTB subsidy. Then pared with other European But this year for the first time there there were all the service centres it has some disadvant- we have generated enough busi-

ness to cover interest charges," Mr. Golding said.

TOP NINE EXHIBITION

CENTRES IN EUROPE

But many of the continental centres have by now long since amortised their costs. At the same time they are often directly owned by local governments which are prepared to see a loss made on a particular exhibition because it will generate revenue for the region as a

The existence of local taxes at many of the continental centres means that every meal support, means that Birming- pean rivals.

ham City Council gains very little direct revenue from any particular show held at the

131,500

112,000

101,000

rates as lo was SwFr 260 (£66.15) a square metre compared with the pared down NEC rate of SwFr 300.

NEC, then, is competing with bought by a visitor, every night other centres for the travelling spent in a hotel brings revenue international fair business on directly to the local govern- the basis of different criteria. ment. But the UK system of But, in addition to that, it is local finance, based on rates also subject to higher inflation and direct central government rates than many of its Euro-

brought business to the UK because Britain's main halls like Earls Court and Olympia were NEC claims that with 35 major industrial exhibitions a year, it is twice as busy as its busiest European competitor, Cologne.

But Mr. Lyons warns-and his company is the NEC's biggest user — that UK inflation is a compounding disadvantage for the NEC and in the longer term there could be a downturn in its business. According to the Incorporated Society of British Advertisers (ISBA), exhibition space rental costs in the UK jumped 286 per cent between 1970 and 1979, and stand construction costs leapt 409 per

These immediate costs, however, are a small portion of the total which has to be faced by any exhibitor at a fair. Mr. Lyons calculates that, roughly, an exhibitor next year at NEC will probably have to pay £50 per square metre for space, but that actual costs, by the time travel, accommodation, enter-tainment and so on have been taken into account, will rise to four times that.

formance of the economy. This is not to suggest, however, that ming at a high rate, the number come to Britain depends, of exhibitions held in the UK according to Mr. Golding, on decisive. It is said, that in the will automatically decline. There are other and wider machinery Association Exhibition, Milan was able to affect the said and the said are shown to make the said and the said are shown to make the said and the said are shown to make the said and the said are shown to make the said and the said are shown to make the said are shown to said and the said are shown to said a shown

"You're not going to sell fish unless you cry fish," said one organiser. In other words, the siting of fairs is connected to the market which is being approached. There is little Belgium because gold mining is

Companies use the fairs to make and consolidate commernot big enough to cope with cial contacts—they parade in large-scale international fairs. the market place, but they do

not expect to win orders straight from the display. In Europe 80 per cent of fairs are now technical, for profes-sional buyers. "Specialised sional buyers. information and market events geared to specific sectors and target groups efficiently respond to the needs of varied inter- promotion. national and sectoral struc- In additional control of the sectoral structure.

tures," notes AMK Berlin. "Most exhibitions hold title to be international, but they spring out of the national situa-tion," said one fairs specialist. The idea is simply to create a and to that extent they are a test of national economic vitality.

This in turn means that the organisation of fairs is more stable than the arguments about the siting of the Inter-national Textile Machinery Association exhibition might suggest. The national events obviously do not move from country to country. Those that do move are run by interna-NEC's performance therefore tional federations which travel is related to the general perof which the UK, because of the NEC, is now a part.

> facturer or a prominent enough buyer?"

The difficulty is that the perceptions have to be worked out long in advance: the dispute about the International Textile point in trying to mount a gold Machinery Association is con-mining machinery exhibition in cerned with an event planned cerned with an event planned three years hence. Commitcarried on outside Europe. But ments to organise a fair, or to there is great point in holding take part in it, therefore a plastics fair in the UK because involve a high element of risk.

The very existence of NEC Britain not only consumes The effects of the present recesplastics but makes them as well. sion may not be feit in the business for a year or two.

> But exhibitions took 8 per cent of the total advertising budget of British companies last year—within the UK. They spent £182m, more than ever before, although this figure shows little change in real terms from 1978. Exhibitions followed television, poster and transport advertising, cinema and radio as the favoured means of

In addition, UK companies, ISBA calculated, spent a further £51m on exhibiting overseas, of which 47 per cent was spent directly on their own account and 53 per cent in joint ventures with the British Overseas Trade focus for a particular market, Board (BOTB) (Since 1977 companies have been exhibiting overseas more and more independently of the BOTB, a factor which the Government no doubt took into consideration when it reduced the BOTB budget last April.)

Because of the increasingly specialist nature of fairs and exhibitions, companies are more sure of the public they are reaching than they would be with, say, cinema advertising.

This year the British fairs industry has been enjoying a boom in line with the cycle that has brought in a number of biennial and triennial exhibitions. Next year will probably quieter, not only because the cycle moves down again, but because the recession is causing exhibitors to be more careful in their promotion expenditure.

"Looking to 1981," predicted one specialist, "there are some signs that exhibitors are watching their budgets. It's not that the bookings are low, but they may be buying less space and being less theatrical in their presentation."

Paul Cheeseright

Letters to the Editor

Our crumbling buildings

From Mr William Allen Sir,—Mr Mason claims (September 10) that the incidence of faults in recently-constructed buildings could be avoided by what he calls "independent supervision" of structural work. My firm has been consulted about many of these misfortunes and has also done independent supervision, and from our experience of both I do not see that the latter would reduce the former. The supervision which takes place now does not avert independence, but for several quite different reasons.

First, errors of architectural and engineering design occur but supervisors would have to be more expert than the designers to see them and would have to be able to over-ride professional decisions to correct them, and design liability would then have to transfer to the new

Second, some innovative pro-ducts and construction systems When have displayed defects which after a period in service.

ture about problems that can attend upon their use.

Fourth, some innovations have proved to have interactions too complex to be foreseeable. Condensation in dwellings was one such, a cumulative conse-quence of several individually commendable steps to reduce the waste of heat by cutting down ventilation. It reached levels where family moisture was not being removed at the rate at which it was being made. Finally, there are physicists and chemists developing new building materials without an adequate knowledge of field conditions in the industry, and

their products get misused.

The list could be extended, but perhaps I have made my point. Independent supervision would not correct such matters. The root problem is that building has changed from being a stable, habit-based industry using a limited range of familiar products to one which is knowedge-based, with an extent of knowledge now beyond the scope which any individual can encompass, but without clarity of division about who should

know what. Better supervision is as desiruntaxed income. There are few able as several other possible women fortunate enough to be improvements, but it is a knowledge problem, not one of its cause they need the money for independence.

Bickerdike Allen Partners 16, New End, London, NW3.

Marriage and tax relief

Sir,—Certain points need to ployed men do not have the resources in an ultimately order to achieve these benefits be raised about the letter (Sep. necessary skills, such as secretain the lett From Mrs. Betty Frampion tion of the married woman's earned income allowance. While of mairied women is done on a cally brighter one the less rules, we are required to find there is an anomaly whereby part-time basis. Few men wish money is poured into fishing. the vast majority of this money married couples who both work to do this kind of work and emanomaly can easily be not find full-time employees. from near neglect by national reduce the real cost of our teleeliminated by abolishing the There is no need to change and EEC policy makers the communication services by an
imarried man's tax allowance in the tax system in order to rebetter. It is interesting that at average of 5 per cent each year;

salary. The salary could be than quadrupled. reduced as the children reach (Dr.) Rosalie Silverstone. full-time education and further The Fawcett Society, reduced to zero as the children 25. Wilton Road. become old enough to look after London, SW1

It is in this way that the true equity which Dr. Staveley is so obviously seeking, can be achieved. Betty Frampton. Battlewell

67. Greenhill

Working

From Mrs. H. James Sir.—The tax advantages referred to by Dr. Staveley and Mr. Whittle could be achieved by a married couple if the husband staved at home to look after the family and the wife took paid employment. One can only speculate on the reasons that this tax incentive has produced very few "reverse role"

When considering tax reform account should be taken of the have only been discoverable severe tax disadvantages of a materials and products are less employment. Such a "working than frank in their trade literature about numbers of responsibilities taking up paid employment. Such a "working wife" frequently has to contain the contained on the married woman with family other people to care for children, help in house, etc., but the associated costs including wages, tax, national insurance contributions, have to be met from her net salary. On grounds of equity, these expenses, necessarily incurred if she is to continue to "work" should be allowable for tax.

> Helen James. 57, Seaford Close, Ruislip, Middleser.

Why women must work

From Dr. Rosalie Silverstone Sir,-You have published two letters on the topic of married women and unemployment (from Dr. E. S. Staveley and Mr. Thomas E. Whittle Sept. 12). Both make the point that the tax structure encourages women to work who would not otherwise do so and that this exacerbates unemployment.

Underlying this view are two assumptions. The first is that many women work only to earn in this position. Most work bebasic commodities such as rent, mortgages and electricity. It was recently shown that three times as many families would be living below the poverty level if the wives did not work.

The second assumption is that home unemployed men would step into their jobs. This would not happen. Many women work

move women from the labour company level for Fisons, Uni- so far we are on track for respect of his wife.

In the event of children being market. Between 1971 and lever, Ranks and J. and P. Coats achieving that target.

born, whichever parent gives 1980 registered unemployment to name but a few, this has P. F. Benton. up working to look after those among men rose by 80 per cent already happened.

children can then be paid a whereas among women it more

Reasons why they work From Mrs. Jean Denton

Sir,—Following the correspondence in your columns about the reasons we work, I await the suggestion that we should reduce public spending by cutting down educational opportunities available to girls. would suggest that wives who work for tax advantage are Clapham Omnibus—much talked about and never met. After shopping carried out at 8.00 pm at night, washing done on sunny any other trained job! 8.30 am before the office, babyassure you we would pay the Inland Revenue if they could sell us time!

Jean Denton Studio Flat, 65, Redcliffe Road, SW10.

In the eye of the beholder

From Mr. A. L. Beard
Sir, --- So the Office of Fair
Trading is looking for more private sector companies to investigate and the competition act gives no definition of what is considered to be an anti-competitive practice (September 12). No doubt, like beauty, this will be found to be in the eye of the beholder.

Yet what is most seriously wrong in industry is not that it is uncompetitive, but that it is unprofitable. It is unprofitable because of the monopolies and anti-competitive practices lic money supply borrowing may of the trade unions and the I suggest that the burden be attlemented. nationalised -Astonishingly, the OFT does not with the slogan "Reduce the investigate these. If it did, it money supply — burn a £5 would find a rich harvest and, note." off the back of industry, might give us all a little longer to struggle on before we finally collapse under ever-increasing Government burdens. A. L. Beard. Woodfield, Sparken Hill,

The case for fish farming

Worksop, Noits.

From Mr. Roderick Parker
Sir. — Richard Mooney's September 12.

description (September 11) of the problems of the European September 12.

September 12.

Of course the benefit of the problems of the European greater efficiency and productions of the september 12. fishing industry would have been tivity of System X will be pass valid if he had used the word sed on to the consumer. When current" rather than "basic." catching productivity that in the be cut to half the level of

petitive with its substitutes. not happen. Many women work Instead of squabbling over tomer in reduced real cost of in occupations where unem-Moreover, much of the work tion in Europe, but a paradoxi- under Government cash limit

may claim more tax relief than ployers usually provide part-other members of society, this time jobs only because they can- and the sooner it is promoted

Unless the EEC gets on with the development of fish farming, one day it will be farmed fish that are "flooding on to the European market" from our better organised competitors. like Norway where farmed salmon have this year for the first time set the price for the salmon market as a whole. Roderick Parker. Battelle Institute.

15, Hanover Square, W1

Nannies on the cheap

From Mrs. M. Sheppard.
Sir.—My daughter recently obas elusive as the man on the and finds that a nursery nurse/ nanny post entails the longest most exacting work hours. schedule and the lowest pay of Sundays, children chauffered at example, recent applications 8.30 am before the office bely-have shown that the time off sitting paid at 1980 rates, I can may be "two evenings a week, plus one weekend off in four' and for this the pay offered can be as little as £18 per week (plus keep, of course). Several advertisers expect a housekeeper as well as a nanny, and one must expect to be a driver as well. 18-year-olds without experience are not generally acceptable.

Perhaps in a few months time when unemployment figures are even higher, an NNEB will be expected to pay the employer for an opportunity to slave? No wonder they all want jobs with

Mary Sheppard. 4 Carden Place Sudbury, Suffolk.

Burning question

industries. placed on the private section FT does not with the slogan "Reduce the

Jeremy Oates 14-16 Monument Street, EC3

Telephone network From the Managing Director

of British Telecom Sir,-I would like to correct any misunderstanding that may arise from the article on modernising the telephone net-

sed on to the consumer. When the new digital trunk network Irrespective of stocks and is fully in place, we expect that access to them, it is the prospect the annual charges of owning of negligible improvement in and operating that system will if married women stayed at long runs means prices of today's analogue network caught fish will never be com- including the cost of capital; this will be seen by the cus-

> We have accepted an objective set by Government to

GENERAL

UK Financial Times conference on developing the annual

British Pharmaceutical confer-Amalgamated Union of Engin-

London Health Service white collar members of National and Local Government Officers Association discuss possible strike action over pay claim. General and Municipal Workers Union conference on the rubber industry, Cardiff.

Prote

company report concludes, Savoy Hotel, London.

ence opens, Newcastle upon Tyne, (to September 19). eering Workers conference con-cludes, Llandudno.

Dr. David Owen, Opposition energy spokesman, speaks at

Whitehaven.
Miss Joan Lestor speaks at
Labour Party meeting, Twicken-

Today's Events

administration, Sopha trial University, Japan, is among speakers at world convention on quality circles, Waldorf Hotel, London (to September 18). Mr. Phan Wannamethee, Thai

Ambassador, speaks on trade opportunities in Thailand, Birmingham Chamber of Commerce. Brewing Technology conference opens, Harrogate (to Sep-

tember 18). Mr. Andrew Lloyd Webber announces new West End musical

fessor of economics and indus- the City.

Overseas: Dutch Budget for 1981 presented. Princess Alexandra visits Burma (to September 18). EEC Foreign Ministers conclude meeting in Brussels. European Parliament session continues. Strasbourg. (to Sep-

tember 19). International Tunnelling In-dustry Exhibition and Conference opens, Basie, (to September 20).

COMPANY MEETINGS Amalgamated Distilled Pronounces new West End musical venture.

Amalgamated Distilled Products, Caledonian Hotel, Prinches Street, Edinburgh, 12.

Kenneth Tynan at St. Paul's Church, Covent Garden, noon.

LEGO building blocks construction competition at the Building Centre, Store Street, 12.

Bromsgrove Casting and Eric Stevens (plano), St. WC1, to design an entrance to Machine, Perry Hall Hotel,

G. H. Downing, North Stafford Hotel, Stoke-on-Trent, 12.15. Glove Investment Trust, Electra House, Temple Place, Victoria Embankment, WC, 12.30. Jermyn Investment Trust, 6/11 Agar Street, WC, 12. Rediffusion Television, Stratton House, Pic-cadilly, W, 10.30.

COMPANY RESULTS

Final dividends: London Merchant Securities. George M. Scholes, Sirdar. Interim divi-dends: Barrow Hepburn Group. Blockleys. Bodycote Interna-tional. Executive Clothes. Home Charm. Inveresk Group. Bernard Matthews. Ofrex Group.

Bromsgrove, Worcestershire, 12. EC3, 12.30 pm.

This Advertisement appears as a matter of record only. These Notes have been issued outside the United States of America.

CONVERSION ISSUE

15th September, 1980

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Richards & Wallington lower and defers interim

WITH interest charges soaring by £700,000 to £2,34m, pre-tax profits of Richards and Wallingion, plant hirer, fell from £1.18m to £439,000 in the six months to June 30, 1980. The board blames the 12-week steel strike at the peginning of the year and the economic recession for this set-

But, it says, to counteract this, severe reductions in the group's operating costs have been made with several hundred redundvarious depot closures.

In spite of these difficulties turnover for the six-month period rose from £18.16m to £21.1m and operating profit was little changed at £2.62m (£2.73m). In addition to the high interest charges, exchange losses took £241,000 and this has resulted in the group writing down the value of its overseas assets as

an extraordinary item.

The 1 per cent reduction in MLR means a saving of £250,000

per annum. Mr. W. R. Richards, the chairman, says a decision on the pay-ment of the interim dividend will not be made until later in the year when there will be a hetter indication of results for the full 12 months.

pected in the second half and it shell of the hire sector as a is hoped that the cumulative whole. Its medium-term answer dividends that will be naid for has been to diversify into cash the year as a whole will be main generating business—DIY and tained at last year's level of business exhibitions being the tained at last year's level of 5.230 net, of which 1.85p was paid as an interim.

The performance of R. and W. International Exhibition Services and Record Tower Cranes shows considerable advances on the industry's problems or, last year and these trends will

It may have become somewhat superfluous to compare indus-trial asset backing with equity capitalisations but, unchanged at 45p. yesterday Richards and Wallington is rated by the market at £6.3m against end-December book worth £20.6m and a hire fleet, which at £36m, must substantially discount replace-ment costs. That could explain the share price resilience in the face of an overwhelmingly poor first half. The historic yield of Norwich. 16.6 per cent may have something to do with it too since, while the interim is on ice, the

HIGHLIGHTS

The feud between the Rothschild cousins, Jacob and Evelyn is now leading to a formal severing of financial links between N. M. Rothschild and Rothschild Investment Trust. Lex looks at the implications. Simon Engineering has produced a 5 per cent rise in half time profits to £7.6m but its UK order book is deteriorating. Lex analyses the annual report of Broken Hill Proprietary, Australia's largest company, and also looks at yesterday's economic statistics and the slight shakeout in the sterling markets. On the inside pages Richards and Wallington's figures make depressing reading with a fall in profits from £1.2m to £439,000. Lower figures were also reported by Low and Bonar and Pittard but Link House continues to push ahead while Travis and Arnold is up though indicates a setback for the full year.

remains sanguine about repeating last year's total in full. That rests heavily on a recovery from the first half and a reduction of hefty end-June borrowings of £27m. The target is to push debt below £20m within £2 months and to cut the fleet value to about £25m. That, in turn, assumes that disposals will command a premium to book values although disposals the group is now saying that the he full 12 months. very severity of the recession He says improvements are exforemost examples—to the point when, in about two years, assets Tax this time was £22,000 compared with £120,000, and profits activity amount to about 50 per retained amounted to £149,000 cent of the total. Again, the group (£599,000). is confident that it has the management capacity to develop ing performance of group's entirely new operations but the associate DIY company. Unit planned contraction of its hire Sales (DIY), is excellent and network is permanent and begs against reported market trends the question as to how it will —its performance this year respond when demand surges in being comparable with last year on a store for store basis.

The performance of R. and W.

The performance of R. and W. Hewden-Stuart may provide a better sounding of the depth of

RECEIVER FOR S. C. WARD

Mr. Martin Page, a Norwich partner in chartered accountants Peat, Marwick, Mitchell and Co., has been appointed receiver and manager of general and marine engineering specialist, S. C. Ward (Engineers), of Meteor Close, Industrial Estate.

Closure is due to lack of orders, and 16 employees have been made redundant.

Chambers and Fargus

improves Taxable revenue of Chambers and Fargus went ahead from £213,297 to £355,834 for the year to June 28, 1980. Turnover of the seed crusher and edible oil refiner rose to £11.42m, compared with £9.25m last year. The tax charge was £186,358, against £110,048.

Stated earnings per 5p share were better at 4.74p (2.89p). The total dividend for the period is raised to 1.5p net (0.75p) with a final of 1.25p. At mid-term, pre-tax profits were £83,991 (£100,785).

Pifco looks ahead with 'great caution'

The directors of Pifco Holdings, maker and distributor of electrical appliances, say the current year has started reason-ably satisfactorily, but the group conversely, whether Richards and Wallington's indifferent track is facing an uncertain level of record has taken all the recessionary knocks right on the chin. trading activity in the year

It is well diversified in products and continues to have a healthy financial position, but because of the depressed state of the economy, the Board views the outlook with great caution.

The group will continue to invest in new product develop-ment which the Board believes is essential for the future growth of the company. This programme is geared to provide the consumer with products of good charge and, after minorities of £363,000 (£402,000), attributable

design and performance. As known, pre-tax profits for the year to April 30, 1980, rose from £1.62m to £2.01m.

Link House improves and pays 20% above forecast

House Publications rose in the year to June 30, 1980, from £3.03m to £4.2m — an increase of 38.7 per cent.

The directors are paying a final dividend of 5.6p, which makes a total for the year of 8.4p net, 20 per cent more than they indicated in the offer for sale document.

The company, which was made public in October, 1979, pub-lishes advertising periodicals including Exchange and Mart — consumer, trade and professional

Turnover for the year advanced from £18.18m to £21.8m and investment income increased to £537,000 (£269,000). After exceptional expenditure of £6,000 (£154,000) and tax of £2.22m (£1.61m) the net surplus rose from £1.42m to £199m. Stated earnings per 20p share are up from 11.81p to 16.55p.

There was an extraordinary debit of £302,000 (£35,000), the cost of obtaining a listing on the

Stock Exchange, leaving attributable profits of £1.68m (£1.38m). The directors say that during the year industrial disputes cost around £200,000 in terms of profit. And the book division, they say, slipped into the red hit by a bad debt provision. Although this loss was only marginal, it has continued into the

current year. Overall trading in the first two months of the current year was opportunities. Present commit-at a satisfactory level. But chief ment involves the establishment

the six months to May 31, 1980.

Although sales increased by 5 per cent from £74.5m to £78.3m,

there was a "sudden and severe reduction in demand" in the second quarter. This says the

strong pound, costing £154,000

Nairu Travel, acquired in May,

had no significant effect on the results, but the board expects

fits during the remainder of the

profits were £1.7m compared with

unchanged at 5p, on capital

increased following the Nairn

Travel acquisition, but last year's

figure. included a special payment of 0.3655p. This year's total was 14.5p from pre-tax profits of £9.02m. Dividends for

the first half absorb £686,000 (£580,000).

experienced difficult conditions and profits fell from £891,000 to

£331,000. In the engineering division, UK companies producing goods for specialised appli-

cations maintained a satisfactory

level of activity in an industrial sector otherwise hard bit by the

current recession.
The exception was Hugh

Smith, the heavy machine tool

manufacturer, where the declin-

ing world demand for capital

items had a marked effect.
The group's overseas engineer

acquired in Kenya and Australia.

packaging operations

a material contribution to pro-

There is a £1.88m (£2.08m) tax

conversion of overseas

board, was aggravated by

earnings.

current year.

£1.98m last time.

to find it difficult to maintain growth in terms of profitability. But with strong cash reserves. the group is in a position to take advantage of any investment opportunities which could arise.

Advertising revenue of the Exchange and Mark publishing division is continuing to grow even though circulation figures are currently running some 5 per cent down on last year. Referring to the 1979-80

results, the directors say this division had another successful " all-advertising periodicals tend to be less susceptible to recessionary influ-ences and, with one exception, all utles experienced significant volume increases during the year. Exchange and Mart enjoyed a year of continuing growth.

The less buoyant advertising market referred to at the time of the interim results in March developed and created difficulties for the magazine division in the last quarter of the year. Per-formance over the whole year, although short of expectations, was ahead of the previous year. In common with book publishing in general the Blandford Books division suffered.

The communications division is investing in new communications systems, not only as a protective measure, but also as a of exploiting future

Low & Bonar profits clipped by

£0.5m midway as demand falls

substantially greater than for

It was announced yesterday that the interest of Mr. Ian C. Low has been reduced to 733,435

The three sectors in which Low and Bonar is involved—packag-ing, engineering and textiles—

read like a recipe for disaster. The fact that profits are down by only 11.6 per cen: is attribu-

table in large part to its exten-

sive foreign interests, with Africa in particular doing well—profit

margins there are more than four times those in the UK and

EEC: Yet the group's strategy

to home retains its logic. The ACT problem has now been

overcome but repairiation of

and there is an inherent political

introubled waters with Hugh

Smith, for example, remaining

in loss, but Flotex is performing

very well and the Nairn Travel acquisition could contribute up

to £0.5m in the second half. Even so, profits for the year are unlikely to be much over £81m.

suggesting a multiple of 6.9 at

178p. The yield of 12 per cent on a maintained final is sup-

ported by a comfortable dividend

Dixons Photo

African earnings can be difficult

Some UK operations are

generating more income close

shares (5.35 per cent).

comment

DROP of £519,000 to £3.94m borrowings to such an extent

1979.

in pre-tax profits is reported by that despite the high interest the Low and Bonard Group for rates, the total charge was not

specialised marketing pro-gramme and two new regional viewdata programme companies. As announced in May, the division is also participating in West Country television, the consortium applying for the independent franchise currently held by Westward Television.

comment The profits from Exchange and

Mart still dwarf the other operations of Link House and, even though the group has not broken down divisional results, it is clear that this publication has carried the other operations through a difficult period. E & M lost around £200,000 in profits through the NGA dispute but, by comparison, book publishing made a small loss last year while the non-advertising magazines were more susceptible to the general decline in advertising volume. E & M is virtually recession-proof but its steady growth hardly justifies the historic p/e of 11.3 on yesterday's record price of 193p. Control of the shares is vested firmly with directors and their families, so a bid would have to be agreed. and the prospects for the group's communications venture are not yet assured. The balance sheet is sound, with around £3m of quick assets in the till, but the capitalisation of over £23m assumes a great deal of good will in the titles. The yield is 6.4 per cent on a dividend cover of 1.7

value on property valuation.

Mr. Kalms says the group has

an extensive programme of posi-tive expansion, and research

into and testing of different con-cepts of marketing and product

Pre-tax profits for the year ended April 26, 1980 improved from £10.72m to £10.92m, on

turnover of £219.1m (£207.6m)-

In 1979-80, there was a com-

On January 1, Mr. P. Kalms

Meeting, The Institute of

Directors, SW, October 9, noon.

MILTON KEYNES

Prospective demand for the

handling and packing systems of Molins is expected to out-strip

the available manufacturing facilities at its Deptford premises, so a major restructur-

ing programme has been initiated.

A separate division has been

formed for the research, de-velopment and manufacture of

the group's cigarette handling and systems equipment. It will be based in Milton Keynes.

development.

as already known.

MOLINS IN

Half-way rise for Travis and Arnold Arnold, builders' and plumbers'

merchant and timber importer, rose in the first half of 1980 from £2.41m to £3.12m on sales 10 per cent higher at £51.26m, compared with £46.54m.

Bifurcated Eng. ipt. 1.15 Chambers & Fargus. 1.25

Leadenhall Sterling int. 1.38

Simon Engineering int. 4 Travis & Arnold ... int. 0,64

Horace Coryint.
Federated Land
James Fisherint.

Link House
Pittard int.

Low & Bonard inti

Jentione ::

However, the directors warn that most of the improvement was generated in the first quarter when volume sales were significantly higher than the comparative months of 1979.

Since April, sales and profitability have been under increasing pressure and although measures are being taken to adjust to the reduced volume of output, the directors anticipate that profits for the year as a whole will be below those of

vear the company reported pre-tax profits for the 12 months of £6.97m, compared with £4.61m for 1978.

The interim dividend is being raised from the equivalent of 0.58p, after allowing for the one-for-one scrip issue, to 0.64p net. Last time the final dividend was an adjusted 3.58p.

Tax increased from £1.25m to £1.62m and after interest of £222,000 (£310,000) retained current assets increased during last year by 20 per cent profit edged ahead from £1.27m to £1.37m. Last time's figure included £226,000 from the sale of properties against nil this In addition, there is an estimated surplus of £9m over book The sub-contracting of the Dixons Charge Card business will provide added liquidity to the extent of about £8m.

comment

the second quarter, reducing stocks and debtors enough to cut interest charges by nearly 30 per cent. Pre-tax profits are well ahead at the interim mainly because of the weakness of the comparative period and the group is pessimistic about the remainder of the year. Overall, volume is pensation payment of £13,000 for expected to be down 10 per cent, loss of office to a former director, with the fall most severe in central heating equipment, which and new housing, where about 40 per cent of sales go. Pre-tax profit for the year could fall to £6m. That would leave the shares, at 124p, trading on a reasonable 7.2 multiple of the prospective earnings. The final dividend will probably be raised by 10 per cent despite the troubles, giving a prospective yield of 4.6 per cent.

GEORGE INGHAM £21,000 LOSS

£21,000 on sales up £0.55m at £1.64m. Again no interim dividend is to be paid and there is no tax charge. For the whole of 1979, 0.25p was paid from profit

McLaughlin & Harvey confident

sed state of the construction industry, pre-tax profits of McLaughlin & Harvey, unquited builder and civil engineer, ilacreased from £425,000 To £21.78m compared with £16,46m But after a sharp rise in the from £75,000 to £293,000, net profits were lower at £264,000, agamst £350,000. The tax pro vision reflects a full charge for Corporation tax and no credit has been taken for anticipated stock relief which may be avail-

able in future years.

Earnings per 25p share dropped from 8.8p to 6.7p, while this time there is an interim dividend of 1.8p net — last year, a single final of 3p was paid from taxable profits of £980,000.

The company has a satisfac-Travis and Arnold responded tory order book and the directors quickly to the sudden collapse are confident of its ability to of building materials markets in maintain an acceptable level of are confident of its ability to work throughout the year.

 $V_{i} \cup V_{i}$

	Den-Joer
	1980 7 1979
	£000 £000
Ternover	21,783 16,455
	. 21,703 ,70,900
Profit before tax	. 557 525
Taxation	. 293 75
Net profit	- 284 S50
From -Gevt. : reserve	6 9
LIGHT -GOAL! ! (GERING ""	
Minority loss	
Exchange losses	108 57
Extraord: credit	42 †71
Dividends	
Retained	134 17230
* Profit. †	Dehir.

W. CANNING

W. Canning, the UK elec-tronics chemicals and engineering company, is to sell its half share in Mowat Canning (SA) of Johannesburg to E. S. Mowat and Sons, the co-shareholder. The sale price is R100,000 (£55,000), which is above book value.

New licence agreements have been entered into for the minu-facture and licensing of Canning originate products which will For the first half 1980 George result in the company's income from the South African market ings), worsted spinner, fell from showing no reduction.

SIMON ENGINEERING LTD

Specialised machinery; process plant contracting; merchanting & storage; oil services

Interim Report for the 6 months to 30 June 1980

Profit before tax for the six months to 30 June 1980 is £7.618 million (£7,252 million in 1979).

The Directors have declared an Interim Dividend of 4p per Ordinary share (4p in 1979) which will be paid on 31 December 1980 to Ordinary shareholders on the Register of Members on 3 December 1980.

The performance of our overseas

companies has partly compensated for the severe pressures being experienced by the UK based activities of the Group. With the continuing strength of sterling and fierce international competition we see no remission of these pressures during the remainder of the year and next year. Every effort is being made to maintain our record of profit growth in 1980.

•	Six months ended 30 June 1980 £000	Six months ended 30 June 1979 £000	Year ended 31 Dec. 1979 £000
Turnover	. 155,227	133,973	323,904
Trading profit	6,296	6,352	16,262
Share of profits of principal associated companies	330	228	648
Interest receivable less payable	6,626 992	6,580 672	16,910 1,634
Profit before taxation	7,618	7,252	18,544
Taxation Group Principal associated companies	-3,135 -127	-2,116 -53	-5,395 -152
	-3,262	-2,169	-5,547
Profit after taxation Minority interests	. 4,356 429	5,083 276	12,997 -1,137
Profit attributable to Simon Engineering Limited	3,927	4,807	11,860
Dividends Preference — 6% (now 4.2% plus tax credit) paid 1 July	•	. • 1	`
Ordinary – Interim 4p per share (equivalent, with imputed tax	C	19	
credit, to 5.7143p: 1979 – 4p equivalent to 5.7143p)	994	. 994	

1. The trading profit is after charging depreciation of £2,301.000 (30 June 1979 £1,890,000:

31 December 1979 £4,296,000). _ 2. The figures for the six months ended 30 June 1979 and 1980 are unaudited.

3. The charge for taxation for the six months to June 1980 has been based on the estimated effective rate for the full year. The 1979 six months' charge has been adjusted to reliect the effective rate for the full year 1979. This was reduced by £1.773,000 in respect of stock rehef made permanent by the Finance (No. 2) Act 1979. The Act provides for further relief to become permanent each year in future with the exception of 1980.

4. There were no extraordinary items in any of the above periods and because of the uncertainty of future currency movements no assessment of exchange differences is made at the half year. Exchange differences are also excluded from the comparative figures - the full year figure in the published Report and Accounts was minus £538,000.

5. A statement on the wayes and conditions of our African workers in South Africa has been prepared in accordance with the White Paper (Command 7233) and will be available on request to the Company Socretary.

SIMON ENGINEERING LIMITED. CHEADLE HEATH STOCKPORT. CHESHIRE SK3 ORT

sees continuing ing companies had mixed fortunes, but good results were achieved by companies recently progress An uninterrupted and growi demand for the products it sel Textile profits increased by

is forecast by Dixons Phot graphic. Mr. Stanley Kalms, t chairman, in his annual repo says he does not doubt the co pany's ability to ensure. profitable, sound and growi

21 per cent to £2.17m. The group's industrial textile companies had a difficult first half and their results reflect the seriously depressed markets in which they operate. Active steps have been taken, says the board. business. to combat the worst effects of the continuing recession in the UK textile industry and major re-organisation of four companies in Scotland was put in hand at the end of August. In the first half the group

managed to contain its level of

He states that the compar has never been stronger and determination to achieve si tained growth is firmer tha ever "but the company mu recognise the present vicis tudes of the economy."

Total assets employed in th

group now exceed £100m as

	D: 7114		
ing Ils	Sept. 12 Banco Bilbao		+ or -
to-	Banco Central Banco Exterior	270 212	•
he	Banco Hispano	232	-2
ort	Banco Ind. Cat	120	_
m-	Banco Madrid	143	
a	Banco Santander	270	
ng	Banco Urquijo		− 1
uō.	Banco Vizcaya	248	
	Banco Zaragoza Dragdos		
ny		112	+1
its	Espanola Zinc Fecsa	71	+1
IS-	Gal. Preciedos	64 35	+0.50
an	Hidrola,	33 89	÷2
ıst	Iberduero		
si-	Petroleos	120	
31-	Petroliber	80	
he	Sogetise	107	
	Telefonica	63.20	-0.30
ad	Union Elect,	70	+1 .

SPAIN

INTERIM RESULTS

for the six months to 30 June 1980

io. and any monthly to be built 1000						
	Year (audited)					
1980 1979		1979				
£000	£000	£000				
407,859	389,358	844,860				
6,104	15,483	32,049				
4,288	14,817	25,535				
Interim	interim	Total				
3,695	3,676	7,579				
3.4p	3.4p	7.0p				
	1980 £000 407,859 6,104 4,288 Interim 3,695	£000 £000 407,859 389,358 6,104 15,483 4,288 14,817 Interim Interim 3,695 3,676				

The interim dividend will be paid on 20th October, 1980 to shareholders registered on 19th September, 1980.

* Profits severely affected by the recession in North America and the U.K. and by high interest charges.

* The Group's wide product range and geographical spread make it well able to ride out the present conditions and the longer term outlook remains bright.

The Secretary, Cleveland House, St. James's Square, London SW1Y 4LN.

* Interim dividend maintained at 3.4p per share. Copies of the Interim Report may be obtained from

> **Babcock International Limited** A LEADER IN WORLD-WIDE ENGINEERING

J. HEWITT & SON (FENTON) LIMITED:

Manufacturers of domestic and industrial refractories, kiln furniture and electrical porcelain INTERIM STATEMENT

The unaudited results for the half-year to 30th June 1980 and corresponding figures are as follows:---

	to 30.6.80	Half-year to 30.6.79	Year to 31.12-79
urnover	£'000 2,496	£'000 1,691	£'000 3,90€
rofit before taxation axation	290 59	162 29	386 65
rofic after taxation	231	133	32]
rnings per ordinary share of 5p am pleased to report an	9.7p	5.9p	14. 2 p

the first half of 1980. Whilst export sales continue to incre the recession in the United Kingdom together with higher interest charges and other costs leads me to anticipate that, although the level of turnover should be maintained, profit margins will be lower

M. J. H. Nightingale & Co. Limited

	9-80				Gross	Yield	
High			Price	Change	Div (n)		
98	51	Airsprung	- 51		67	13.1	§
50	21	Armitage and Rhodes	22	:	1.4	5.4	3
170	925	Berdon Hill	170-		9.7	2.5	9
100	74	County Cars 10,7% PL	74	 .		5.7	5
101	83	Deborah Ord	97		15.3		
126	99	Frank Horsell	-87	_	5.5	5.7	- 4
129	20	Erndertel Costan	123	. – .	7,9	6.4	3
_156	20	Frederick Perker	66	. — .	11.0	16.7	3
	-	George Blair	84	. 	16.5	19.6	3
84	40	Jackson Glodo	83		6.0	7.2	
153	103	James Burrough	118	· : :		5.7	ğ
305 .	242 ^	Robert Jenkins	305			10.2	. 4
232	175	Torday	221	· : = ·	15.1		-9
34 .	10	Twinlock Ord	117	-1	19.1	6.8	3
90	70 .	Twinlock 15% ULS	84	1-			3
56	77	Unilock Holdings	46	_	15.0	17.9	- Alleria
101	32 ·	Walter Alexander			. 3.0	- 6.5	- 7
245	436	WAS C. Mante-	101		5.7	5.6	- 5
7-07	130	W. S. Yestes	245	—	12.1	4.8	: 4
		Accounts not prepared up		<u> </u>			

BRITAIN'S LEADING BUSINESS NEWSLETTER

Weekly information on political and business trends

metals, foreign exchange and investment

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101.00

'disappointing'

BY KENNETH MARSTON, MINING EDITOR

REPORTING net profits for the Newman iron ore operation. six months to June 30 of However, Agnew production ASI.23m (£600,000) against is now improving and a further A\$1.00m for the previous four increase in earnings has been months to Detember 31 the achieved by the drillship young Australian Selfrust Rold- "Regional Endeavour." It is young Australian Selfrust Haldings comments that the latest stated that development of the results are "very disappointing." London's Selection Trust (now when by British Petroleum) formed Seltrust Holdings last year as an Australian mining finance house. Selection Trust put the bulk of its important Australian interests into the newcomer which was designed as a vehicle for Australian domestic investment in the country's mineral potential. Selection Trust has waived its dividend entitlement for the past nine months in Seltrust Holdings.

The directors' disappointment With the latest results of Seltrust Holdings stems from the slow build-up of production from the Agnew nickel mine in Western Appressing the property of the lower than expected mill ore new business of Selection Trust grades, and the impact of strikes in Australia. Seltrust Holdings on the stake in the big Mount were 2p off at 158p yesterday. **Benison to buy Koongarra**

Northern Territory of

The Australian government

out 30m lbs of uranium oxide.

Government permission to work the find has not yet been given

Mr. John Howard, treasurer of Denison, said in Canberra that

the entry of the company (which has been mining and selling manium since 1957) into the

Koongarra venture would en-

PROSPECTS FOR

Many economists are fore-

cashting a real economic growth

Sentrust's own dividend distribution this year is 55 cents

(30p) a share compared with 38

cents a share last year, an increase of 17 cents a share. The

report forecasts that the next

increase by at least the same

Mr. A. M.-D. Gnodde, chairman

of New Witwatersrand Gold Exploration, says in his annual

review the net asset value of the

company rose to 921 cents (508p) a share by late August compared with 821 cents a share at end-

June. The company should be

distributions, he said, provided

the prevailing price of gold is maintained during the current

. distribution

SENTRUST AND

NEW WITS.

the time production

Australia.

owned company.

.... Hanes C

Duran tipe a

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CANADA'S second biggest ura-nium producer, Denison Mines, them even at the current bullion is to purchase the important price levels. But further work Koongarra drabbin deposits in is being undertaken to find a more efficient way of upgrading the material.

60 per cent-owned Teutonic Bore

copper-zinc-silver project is on target and the mine should be

in commercial production before

Also in Western Australia, Seltrust has decided to pull out of the Griffins' Find gold pros-pect following a disappointing

outcome to preliminary feasi

bility studies. This is a joint venture with Otter Exploration

and yesterday shares of the latter fell 10p to 74p. If Mount Newman can manage

to operate reasonably trouble-free, results of Seltrust Holdings for the second half of the year

should make a better showing. But the company is essentially a

long-term investment with its

next June.

Australia's CRA Exploration and Kitchener Mining say that the second hole of a series of four being drilled under the old has approved the proposed acquisition from Noranda Australia, another Canadian four being drilled under the old Prophecy - Perseverance gold mine at Bamboo Creek in Western Australia has intersected rich values of 220.1 grammes per tonne gold and 43 grammes per tonne silver over a narrow interval of 0.25 metres. This was contained in a longer core length between O Koongarra ranks as one of the four major uranium deposits in the Northern Territory, holding in a longer core length between 87.08 and 89.26 metres which averaged 42 grammes gold and 7.8 grammes silver.

Cooper Basin

hance the prospects for the via-bility of the project.

The Australian government is Cating for 75 per cent Austra-lian equity and Australian con-THE DULLINGARI No. 8/DM4 well, drilled in South Australia's Cooper Basin to help define the extent of the Dullingari Murta oil reservoir, has flowed oil at a rate of 2,180 barrels a day, reports Stephen Tompson.

The well was drilled by a consortium comprising Santos, 50 per cept, Delhi Petroleum, in excess of 5.5 per cent for South Africa and such growth should ensure that industrial distributions will continue increasing say the directors of Sentrust in their annual report. operator, 30 per cent, Vamgas, 10 per cent and South Australian Oil and Gas Corporation, 10 per

fourth appraisat well drilled by the consortium. The first well, No. 5/DM1 flowed oil at a rate of 750 barrels a day, the second was dry and the third recovered only drilling mud. The original Murta of reser-

the Strziechi No. 1 well produced a flow of 2,400 barrels a day. The oil flow in No. 8/DM4 followed a drill stem test of the interval 4,804 to 4,868 ft. Surface flowing pressure was recorded at 382 psi. Target depth of the latest well is 5,200 ft.

radio valves and tubes marketmaintained during the current
ing and distribution business
based in Rochester. With effect
from October 1, Zaerix will be
the exclusive licensed distributors of Mazda receiving valves,
and on the same date the
property says that investigations
into exploiting the company's old
gold mine dumps have shown

Westbourne Grove, W2.

Seltrust profit | Mr. Ghafar among buyers Thomas Tilling plans to of shares in Dunlop

Ghafar Baba. Mr. prominent Malaysian politician and businessman, was yesterday confirmed as one of the recent buyers of shares in Dunlop Holdings, at least a fifth of whose shares are now in Far Eastern hands.

Late in July, the Department of Trade appointed two inspectors to find out who was behind the steady buying which had alarmed the rubber group and led to a sharp rise in its

Their report is expected some time next month, earlier than usual for an investigation of this type. At yesterday's share price of 82p, down 2p after an initial rise on the confirmation of Mr. Ghafar's interest, the group is valued in the market at nearly Mr. Ghafar was first mentioned

as a likely force behind the share purchases when the two inspectors were appointed. Since then rumour has piled upon rumour, with yesterday's undramatic announcement providing the first hard information. Complying with the legal requirement that all sharcholdings over 5 per cent must be dis-

had bought 1.3m Dunlop shares last Thursday. This brought the combined stake of Goodyield Plaza and subsidiaries Pegi Malaysia and Climate Engineering (Malaya), in which Mr. Ghafar has large interests, up to 7.1m shares, or 5.3 per cent of the total.

olosed, a company called Pegi Malaysia Berhad stated that it

5.3 per cent of the total. St. John's Wood Studios, had net share a Dunlop says it is sure that 20 assets of £57,803. Pre-tax profits offer).

per cent of its shares have been for the year to that date were bought by Malaysians, It is less £6,394. certain about a further 6 per cent, and the inspectors are now trying to find out the identity of the buyer or buyers.

The Pegi Malaysia shares were

chiefly bought through stock-brokers Laurence Prust and James Capel. A Prust nomineo company, Lorient, has been involved in a large part of the earlier Dunlop purchases, as has Guimaco Nominees, part of UK merchant bankers Guinness

Mr. Ghafar, a vice-president of the ruling United Malays National Organisation (UMNO) and a close associate of Finance Minister Tengku Razaleigh, heads Komplek Kewangan, the semiofficial Malay finance and invest-

ment group.

Dunlop controls profitable estate and industrial companies in Malaysia, one possible reason for local interest in shares of the UK group, which is expected to report lower half-time profits

ARLEN ELECTRICAL ACQUIRES ALPHA

Arlen Electrical is to acquire Alpha Productions for a maximum consideration of £125,534 to be satisfied by the initial issue of 110,000 ordinary 25p shares. The balance will comprise the payment of £15,534 in cash and the further issue of up to a maximum of 110,000 shares. At June 30, 1980, Alpha, which provides film studio facilities at

As a diversification move. Arlen launched in June a new subsidiary, Transvideo, to provide the first UK based mobile computerised post production

wideo editing facility.

By linking Transvideo's sidiary of the privately owned advanced technology to the more conventional Alpha facilities, the medical respiratory and related Arlen board considers that both subsidiaries will improve their trading prospects.

CHARLES CLIFFORD BUYS MORE OF NOBLE & LUND

Charles Clifford Industries, the loss-making metals group chaired by Mr. Oliver Jessel, now owns together with associates just over 15 per cent of the Noble and Lund engineering company. Previously, Clifford had a holding of 422,500 shares, more than per cent. Mr. Jessel, whose Clairmace

company, owns nearly 30 per cent of Clifford, said the latest batch of Noble and Lund shares -10,000 bought by Clifford and the rest by the associates-were picked up at around 7p or 8p compared with a net asset value

HOFFNUNG OFFER NOW CLOSED

Burns Philp has announced that the offer for the 4.55 per cent cumulative preference shares of Hoffnung has closed. Burns Philp acquired 376,345 preference under the preference share offer (89.21 per cent of the

the opportunities for Johnson

Matthey's UK-based colour com-panies, Blythe Colours and

FOSECO MINSEP/

is still the intention.

Ludium today.

WILKINSON MATCH

At the meeting of Wilkinson Match yesterday, resolutions pu

to holders of the 10 per cent

convertible unsecured loan stock

1984-98 were passed. The special resolution to effect a capital

An announcement of the level of acceptances and of any

revision or extension thereof will be made by Allegheny

panies.

capital).

British Syphon Industries has its cutlery manufacturing subsidiary, George Ibberson and Co., to MAB Products, a private scissor making company in Sheffield. The consideration is 175 ordinary £1 shares in MAB issued at par and representing 15 per cent of the enlarged The acquisition will broaden

> A loan outstanding to British Syphon equal to the book value of Ibberson's fixed and current assets; will be paid off as to assets; will be paid off as to and Edgington, the camping, debtors less creditors within caravan and workwear group, four months; as to fixed assets explains that its recent £265,000 on completion, and as to stock pre-tax loss was evenly split ditional, has now closed.

for \$8.5m (£3.5m). Tilling has spent some £160m on U.S. expan-sion since the beginning of 1977.

equipment and supplies. It is one of the leading U.S. producers

of adult and infant lung ventilators and ventilator moni-

Tilling's interests in the manu-

facture and marketing of medical equipment are con-

trolled through Intermed. Two of its UK subsidiaries, Cape

Engineering and Penlon, are also producers of lung ventilators,

and anaesthesia equipment

The company says that the acquisition of Bourns will provide opportunities for

increased product development

BRITISH SYPHON

SELLS CUTLERY

MANUFACTURER

wider coverage in world

industrial holding group, is used in production.

adding yet another company to its list of U.S. acquisitions, with and amounting to some £350,000 the planned purchase of Bourns will be used to expand the Medical Systems, of Los Angeles, group's mainstream activities.

invest further \$8.5m in U.S.

HOOVER TRUST BOOSTS STAKE IN PROVINCIAL

Hoover Trust Fund has purchased a further 290,000 ordinary shares in Previncial taking its holding to 1,585,653 ordinary shares or 7.2 per cent of the

tors. The company's products are also marketed and serviced Hoover is the largest single inin Europe, the Middle East and stitutional shareholder in Provincial. Institutions now hold Africa.

For 1979 Bourns achieved sales of \$13.2m and profits of \$884,000. The international market for the company's proapproximately 30 per cent of the ducts is expanding strongly and sales for the first half of 1980 reached \$7.8m.

STRONG & FISHER/ BARROW HEPBURN

Agreement has been reached for Strong and Fisher to acquire Barrow Hepburn's 40 per cent holding in the New Zealand quoted company of Colyer Watson Holdings for £700,000

The stake is held through Barrow Hepburn's Netherlands subsidiary and the deal is ex-pected to be completed on October 1

Colyer is principally involved in processing and trading in meat industry by-products, especially skins, hides and

tallow.

For the nine months to October 1, 1979 Colyer produced attributable profits of NZ\$761,767 but unaudited figures for the following six months showed a \$181,829 loss, Colyer's net assets at October 1 were

BLACK AND EDGINGTON

In a letter to shareholders concerning the proposed sale of its A-Line Caravans business, Black

TILLING, the large and work-in-progress as sold or between the A-Line division and holding group, is used in production. other operations. The loss for another company to The cash thus made available A-Line is stated at £130,000 and at £135,000.

Black and Edgington is asking shareholders to approve the sale of A-Line to a private group of its original owners for film. An ECM meeting has been scheduled for September 29 in London to vote on the sale.

The group estimates its net tangible assets per ordinary stock unit at 91p on the basis of the balance sheet at June 30 and at Sip on the basis of a disposal of A-Line.

Borrowings for the group, excluding A-Line and its subsidiaries were £11.3m as at August 29.

COSTAIN OFFER UNCONDITIONAL

The offers made by Costain to acquire the capital in issue and to be issued of County and District Properties have become unconditioned in all respects.

Acceptances have been received in respect of 14.84m new ordinary and 14.84m deferred shares of C. and D., representing 99 per cent. Acceptors in respect of 9.3m new ordinary and 9.3m deferred shares have elected to receive the loan note alternative.
The offers will remain open for acceptance until further notice, though the loan note atternative has now closed. Costain intends, in due course, to acquire the balance computational control of the course of the

RTD GROUP The unconditional cash offer

by Mr. J. H. Dyer and other investment clients to acquire RTD Group has been accepted in respect of 8,399 ordinary shares (0.38 per cent). With the ordinary and preference shares already owned, Mr. Dyer and associates now have 79.42 per cent of the voting rights of RTD.

The offer, which was uncon-

NatWest buys rest of Global

Dullingari No. 8/DM4 is the

ZAERIX ELECT.

Zaerir Electronics has acquired from Thorn Brimar, the Mazda radio valves and tubes market-

National Westminster Bank Pension Scheme together hold through its wholly owned sub- 17,994,048 shares (11.08 per International West- cent). Burnett and Hallamsbire Holdings-Sun Life Assurance

minster Bank, has purchased the remaining 25.8 per cent of shares not already owned in Global Bank AG from the Gerling Konzern, a leading German insurance group.
At the same time the Gerling Konzern has purchased from Global Bank 74.9 per cent of Kanitalfonds Kapitalfonds Kapitalanlagegesell-schaft MBH, a Cologne-based investment fund management company. Global Bank is retain-ing a 25.1 per cent interest in

this company.

Global has offices in Cologne. Hamburg Dusseldorf and Munich and at the end of 1979 had total assets of DM 849m.

KAYSER IMPROVES AT SIX MONTHS COURTAULDS has sent out the

official offers in connection with its proposed acquisition of the outstanding minority holdings in Kayser Bonder and Macanie (London), of 11.1 per cent and 15.6 per cent respectively. One document reveals Kayser pre-tax profits for the first half of 1980 up from £664,000 to £769,000, on a turnover ahead

from £8.88m to £10.79m. Kayser says that trading conditions; in brand lingeric continue to be difficult. In June t announced a cut-back in manufacturing capacity at the Dowlais factory, the cost of which will be charged as an extraordinary item and reflected in the full year results.

On the lingerie and foundation wear contract side a viable production level is being achieved although margins are under pressure, the directors report. Hosiery business is more encouraging.

a fall in trading profits here from £192,000 to £168,000 for the from £192,000 to £1960,000 to the first half of 1980, on sales of £9.4m against £10m. Taking in interest receivable at £11,000 (£76,000 payable), the pre-tax balance comes out at £179,000 (£116,000).

SHARE STAKES Globe Investment Trust—the Staff Superannuation the Mineworkers Scheme.

Pension Scheme, the Coal Industry Benevolent Trust and

the Coal Mining Contractors

Trading conditions in both Macanie's clothing manufacturing and distribution have become increasingly difficult in the period. Recession conditions are

enterprise will in future be known as the Waste Compactor Division of Norris Industries

A.B.N. Bank 16 % Allied Irish Bank 16 % American Express Bk. 16 % Amro Bank 16 % Henry Ansbacher 16 % la Tamise S.A. 161%

Barclays Bank 16 %
Bremar Holdings Ltd. 17 %
Brit. Bank of Mid. East 16 %
Brown Shipley 16 %
Capada Perm't Trust... 17 %
Capada Perm't Trust... 17 % Brown Shipley 16 Capada Perm't Trust... 17 Cayatar Fermi (1985) 17 %
Cayater Lid. 16 %
Cedar Holdings 16 %
Charterhouse Japhet. 16 %
Choulartons 16 %
C. E. Coales 16 %
Consolidated Credits 16 %
Consolidated Credits 16 %
Connegrative Rank 216 %

Co-operative Bank ... *16 Corinthian Secs. 16 % The Cyprus Popular Bk. 16 % Duncan Lawrie 16

Langris Trust Ltd. ... 16 9 Rossminster 16 Ryl. Bk. Canada (Ldn.) 16 Schlesinger Limited ... 16 E. S. Schwab 16 Security Trust Co. Ltd. 17 Standard Chartered ... 16 Trade Dev. Bank 16 Trustee Savings Bank 16 Twentieth Century Bk. 16 United Bank of Kuwait 16 Whitesway Laidlaw ... 1619 Williams & Glyp's 16 % Wintrust Secs. Ltd. ... 16 %

† 7-day deposits on sums of £10,000 and under 14%, up to £50,000 14½% and over £50,000 15%. ‡ Call deposits over £1,000 14%.

UNICORN INDS. The offer by Foseco Minsep for the preference shares in Unicorn Industries has been "We can save you aggro, delays and nasty surprises on building projects" accepted by 47 holders (67.1 per cent) in respect of 161,008 shares (40.5 per cent of the Foseco has decided to declare the offer, which is worth 40p in cash for each preference share, unconditional. It was previously announced that the offer would close on September 29, and this in the interior.

-claims new Gilbert Ash company formed to provide Management and Fee Contract services

The fee contract and the management contract are forms of building contract. Both airn to increase co-operation between design team, contractors and client.

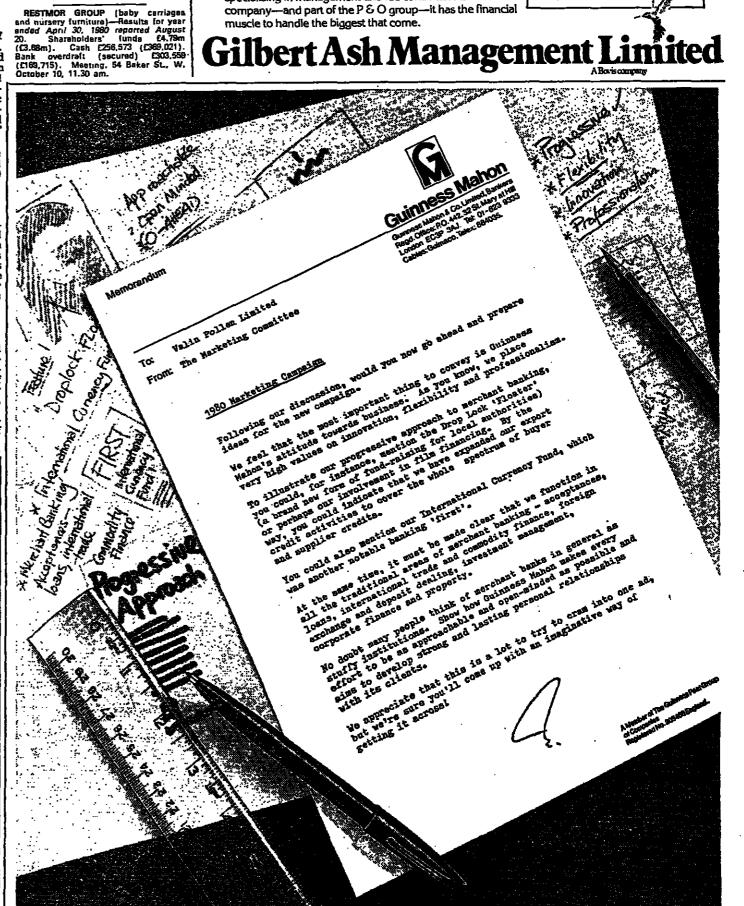
Both cut out the very real problems with competitive tenders. The conflict and claims, especially over design changes. The incentive to make false economies. The time wasted tendering.

Gilbert Ash Management Limited is a new company specialising in management and fee contracts. As a Bovis company—and part of the P & O group—it has the financial muscle to handle the biggest that come.

FIND OUT MORE If you are planning to build, find out about fee and management contracts. Gilbert Ash Management have a detailed brochure, and are always glad to

Ring or write to John Bolland, Managing Director, at Pegasus-House, 375 West George Street, Glasgow, G2 4LN. Telephone 041-248 25.11

Gilbert Ash Management Limited



EMENT Pifco Holdings Limited

> 1979 £14,628,000 £12,715,000 **Turnover** Profit before Taxation £2,009,000 £1,620,000 28.14p Earnings per share 4.0p 4.8p Net dividends per share Net assets per share £1,26

> We continue to invest in new product development which we believe is essential for the future growth of the Company. This programme is geared to provide the consumer with products of good design and performance.

Although the year has started reasonably satisfactorily the Group is facing an uncertain level of trading activity in the year ahead. We are well diversified in products and continue to have a healthy financial position, but because of the depressed state of the economy we view the outlook with great caution.

We can assure your cash flow, simplify your ledger administration, even give you credit cover and make exporting easier.

Randolph House, 46-48 Wellesley Road, Croydon CR9 3PS, Surrey, 01:681 2641. G.E. Miller. Penthouse Suite, Rackbay, Queen Charlotte St., Bristol BS1 4HJ. 0272-20298. P. M. Gernez.

The U.R. subsidiary of Walter F. Heller & Co., HE Factor's

the world's largest Factoring decompositions.

Danlee Buildings, Spring Gardens, Manchester M2 2BZ, 061-228 2344. J. M. Bagley

The Macanie document shows

likely to continue for the rest of the year, the directors say.

Society, as a result of recent purchases, is now interested in 451,083 ordinary shares (5.102 per cent).
Linfood Holdings—D. S. T. Linnell, director, has disposed of 39,500 ordinary shares.

Tebbitt Group—The holding of the London Trust of 7 per cent convertible culminative

redeemable preferential has been increased to 500,000 shares (10.416 per cent). Stroud, Riley, Drummond, Bradford—Harvey Michael Ross has increased bis holding to 653,938 shares (18.6 per cent).

STAKE ACQUIRED IN J. T. PARRISH A 13.5 per cent stake in T. Parrish, the Newcastle

department store operator, has been picked up by Mr. Fuad Rashan Khorsheed. The stake is represented by 97,025 shares. According to the same announce ment by the company, Mr. J. S. Bonnington, who had owned 89,025 (12.4 per cent) no longer owns any interest in company.

BRETTELL & SHAW Rhodes and Cartwright, of Cradley Heath, West Midlands. manufacturer of galvanised holloware, has acquired, for an undisclosed sum. Brettell and Shaw, one of the largest producers of galvanised and plastic products supplied to Government departments, nationalised industries, councils and builders' merchants, throughout the UK. The two companies will have

turnover in excess of £3m and workforce of over 250 WARD WHITE

Norris Industries, an engineering subsidiary of the Ward White Group, has acquired from the Columbus Dixon Group, its waste compactor business. This

JOHNSON MATTHEY Johnson Matthey has acquired the Max Marx Color and Chemi-

cal Company, Inc, a U.S. manufacturer and supplier of organic pigments and colours for use in printing, paints, plastics, food and cosmetle industries. Max Marx is based in Irvington, New Jersey. The value of the deal was not disclosed.

BASE LENDING RATES

Hongkong & Shanghai 16 % Industrial Bk. of Scot. 161% Keyser Ullmann 16 Knowsley & Co. Ltd.... 18

Yerkshire Bank 16 %

Overseas activities lift Simon to £7.6m midway

sures on its UK-based activities, Simon Engineering increased machiner pre-tax profits from £7.25m to tracting, \$7.62m for the first six months of 1980.

Turnover climbed £21.26m to £155.23m, while profits included higher associates' contributions of £239,000 (£228,000) and net interest receivable up from £672,000 to £992,000. Depreciation charge was £2.3m (£1.89m).

The directors say that with the continuing strength of sterling and fierce international competition, they see no remission of the pressures during the rest of this year and next year. Every effort, however, is being made to maintain profit growth in 1980.

overseas companies partly com-pensating for the severe pres-sures on its UK-based activities, manufacture of specialised machinery, process plant conand merchanting storage and oil services.

> Increased costs hit H. Cory

CONSIDERABLE INCREASES in costs in all its departments led to a fall in pre-tax profits of £249,000 to £178,000 for the first Tax for the half year took f3.26m, against an adjusted chemical colour manufacturer f2.17m, and after minorities, the attributable balance emerged down from f4.81m to 53.93m.

The interim dividend is main.

The interim dividend is main-tained at 4p net per 25p share. alternative to redundancies, costing £994,000 (same) — last short time working was intro-

temporary measure to reduce

from 1.37p to 0.9p, but the ner interim dividend is held at 0.6p —last year's total payment was 1.3p from pre-tax profit of £479,995.

Half-yearly profits included interest receivable up slightly at £29,000 (£26,000), and was subject to tax of £93,000 (£130,000). Corporation tax has been provided for at 52 per cent, but the effective rate at the end of the year should be lower because of capital allowances in expenditure now being incurred to construct and equip the factory

OIL AND ASSOCD.

The balance of Oil and Associated Investment Trust's convertible unsecured loan stock 1988-93 not converted, amounting converted on October 15 into ordinary shares or repaid.

Leadenhall dips but pays more

THOUGH HIGHER technology sidiary, warns that with this company can overcome any short-activities at Leadenhall Sterling pattern continuing in the second-term problems and resume made good progress 1980 first half performance was affected by the ending of its spectacle frame agency and recession in the fork lift truck market. Taxable profit for the six months to the end of June dipped £32,000 to £460,000 on sales up £1.05m at £6.21m. Mr. 1. T. Henderson, the chair-

half trading profits for the year will be down on 1979 when the pre-tax total reached \$985,000.

However, the net interim dividend is being stepped up to 1,375p (1.25p) and the directors hope to recommend a maintained final of 1.875p.

growth given even a modest improvement in trading conditions. Our financial position is strong and we are actively pursuing further expansion interests in technology."

After tax for the baif year of Mr. I. T. Henderson, the chairman of this British and Commonwealth Shipping Company subdirectors are confident that the 0.6p at 4.7p.

Federated Land down midway

ON TURNOVER down from £6.68m to £4.34m, pre-tax profits of Federated Land (formerly Federated Land and Building) the property developer, fell from £119,000 for first year allowances £626,000 to £487,000 for the six relating to plant and fittings inrelating to plant and fittings inmonths to June 30, 1980. The result included exceptional gain from sale of undeveloped land down from £155,000 to £132,000. The attributable balance was £336,000 against £467,000 last time, and dividends absorbed £118,000 (£106,000). Earnings says despite the depressing to the same and the same and dividends absorbed £118,000 (£106,000).

says despite the deepening recession, the company is fortunate in having an in-creasing rental income from its investment properties to help officet the fall in housing demand and the pressure on margins. insvertheless he adds, as the economic conditions continue to deteriorate, it becomes in-creasingly probable that the profits for the year will not be as high as for 1979, when the pre-tax total was £1.11m.

totalled £1.06m, compared with £735,000. Tax took £151,000 (£159,000), after taking credit of

to 1.1p net (1p). Last year a total dividend of 3.15p was paid.

ROBERT FLEMING

per 25p share were down at 3.1p The interim dividend is raised

FORMS INSURANCE **BROKING OFFSHOOT** Robert Fleming Holdings has

Safeguarding

Interest charges this time company, Robert Fleming Insurance Brokers, are to be initially Mr. Peter Stoddart and Mr. Clive Bowring, who both left the C. T. Bowring insurance broking group following its takeover by Marsh and McLennan of the U.S.

The company, operating from offices in the P and O Building, Leadenhall Street, intends to make an application to become an approved Lloyd's broker at an early date. It plans to carry out a wide range of international insurance broking activities and already has indications of a substantial business volume.

The company will have an initial capital of £1m and Mr. Bowring and Mr. Stoddart may be taking up to a 20 per cent stake interest in the equity, formed an insurance broking sub- Flemings will hold not less than take an active interest in all sidiary. Directors of the new 51 per cent in the new company, of the group's restaurants.

Jentique loss in second half

HIT BY a sharp fall in demand and exceptional costs related to and exceptional costs related to redundancies and short time working. Jentique (Holdings), furniture and clock maker, declined from a £280,198 pre-tax profit into a £73,537 loss in the second half of 1979-SO.

This left the total for the year to June 30, 1980, down from £573,158 to £235,493 and the final cuvidend is being omitted. A 1.03p net interim was paid in April April.

Sales for the 12 months slipped £1.33m to £10.58m.

Since year-end, orders have shown some increase enabling a return to full time working, and there has been a modest improve-ment in trading conditions permitting a reduction of stock levels in both divisions.

The directors say that if the current pattern of trading can be maintained in both divisions for the six months to December 31 this year they will consider paying an interim dividend in April 1981. For the whole of 1978-79

the distribution was 2.47995p.
The tax charge for the year was £20,191 (£169,786) leaving earnings per 25p share at 2.72p (5.1p). There was an extra-ordinary debit this time of

The general lack of consumer demand, made worse by the strong pound, forced Metamec clock making division to make redundancies in March. It is now, however, operating full time and poised to take maximum advantage of its newly developed quartz clock movements, the directors state.

KENNEDY BROOKES RESTAURANT DEAL

Kennedy Brookes has acquired the lease on a restaurant at Knightsbridge Green through its subsidiary Brookes Hotels. After renovations, Kennedy Brookes plans to reopen the restaurant in October under the name Newports.

The lease, which has nine years to run with a rent review in 1982, has been acquired, together with fixtures and fittings, for a total consideration of £60,000.

Consideration will be satisfied as to £30,000 in cash and the balance by the issue of 36,363 shares. In certain circumstances, a further 10.000 shares may be issued in 1982 credited as fully paid.

The vendors have undertaken not to dispose of any shares for at least 12 months. One of them, Lord Newport, has accepted an invitation to join the Board of Brookes Hotels and intends to

Pittard profits tumble but interim maintained

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official milications are not available as to whether dividends are interints of linels and the subdivisions shown below are based mainly on last year's timetable.

TODAY
Interims—Barrow Hepburn, Blockleys.

Interims—Barrow Hepburn, Blockleys, odycote International, Executex Bodycote International, Executex, Clothes, Home Charm, Inveresk, Bernard Matthews, Ofrex, Wadkin, Watts, Blake, Beame, Willis Faber, Finals—Elder Smith Goldsbrough Mort, London Merchant Securities, George H. Scholes, Sirdar, FUTURE DATES

ments Sept. 22
General and Commercial Investment Trust Sept. 25 Sept. 26

Midway drop at Cockburn Cement

Although trading surplus of Cockburn Cement showed an improvement, higher depreciation and a sharp increase in interest charge meant that pre-tax profits of this 85 per cent owned Australian subsidiary of Rugby Portland Cement dropped from AS2.01m to \$1.16m for the first

Further modification to the lime plant deferred its expected cost benefits, the directors state.
Trading surplus rose by \$0.28m
to \$3.57m, but interest took
\$1.14m (\$0.45m) and depreciation, \$1.57m (\$1.13m). No tax is again payable due to investment allowances brought forward. Turnover improved from \$14.15m to \$15.03m.

There seems little prospect of any substantial increase in activity for the remainder of this year, while the disruption of sales to Alcoa due to two months' industrial action at their Pinjarra refinery, has also had an effect.
The interim dividend is un-

changed at 2.25 cents per share.

INGLIS

Listing of the 5 per cent irredeemable debeniure stock of Inglis and Co. has been cancelled at the company's request. The market capitalisation and share-holding position is such that an cannot be maintained. The maintained dividend could Application to make specific be defended on balance sheet

be submitted.

be sub

prices between the beginning and end of the period, taxable profits of Pittard Group, leather manufacturer, plunged from £957,412 to £46,182 for the six months to June 30, 1980.

After tax of £4,826 (£291,758) net profits slumped from £665,654 to £41,356, but the interim dividend is being held at 1.375p per. 25p share, again absorbing £100,753—payments in 1079 totalled for the state of the stat 1979 totalled 4p and pre-tax profits were £1.49m.

Mr. N. F. Wood, the chairman, says that if demand improves and hide and skin prices recover, it should offset some of the first half stock losses.

Sales for the half year fell from £11.96m to £10.58m with the reduction entirely in the home market, where sales were affected by cheap imports of leather; customers in the shoe and clothing industry were suffering similarly from cheap imports and low demand.

Exports were maintained at previous levels, but margins were combined with the cessation of considerably reduced to offset the high value of sterling against a drastic reduction in group high value of sterling against a drastic reducti the dollar and other major profits inevitable.

much more competitive at home and overseas and margins will

correspondingly improve.

In addition, the group's cash
position will enable it to ride out the storm which is gravely affecting much of British manufacturing industry, he states.

The interim results include trading losses incurred during the closing down of the Beckenham factory, but exclude the terminal losses which will be offset against the considerable surplus expected to arise from the sale of the site for redevelopment.

comment

At least the bide price cannot drop much further. Its tumble from over £1 a kilo 18 months ago to 30p in June this year has dragged Pittards' profits down in its wake—to the tune of a company estimate of over £500,000 in the half. The Beckenham plant, whose sale is now being negotiated, turned in a final trading loss of around £120,000, and its closure should trim the group wage bill by some £500,000. An interest bill up from £100,000 to £300,000 for the half, with the year end cash balance trans-formed into an overdraft, completes the background to the profits collapse. For the current period, hide prices have come 7p off the bottom, and seasonal factors may be expected to help

Bifurcated Engineering down to six months

TURNOVER of in the first six months, he adds, Bifurcated Engineering in this will depend upon the decreased from £7.34m to £8.73m mand in the UK not deteriorating for the half year to June 30, any further.

1980, pre-tax profits of the manufacturer and distributor of rivets and other cold formed 2153,000. facturer and distributor of rivets and other cold formed products, parts feeding and packaging equipment fell from £819,000 to £478,000.

Mr. J. M. A. Paterson, chair-man, says the recession has affected orders in the UK, and the strong pound has resulted in reduced sales to the U.S. While every effort is being made to maintain the profits achieved pre-tax profits of £1.42m.

from the Beckenham sale, but

After a tax charge of £248,000 (£425,000), the attributable balance was £230,000 compared with £394,000 last time. Dividends absorbed £89,000 (£86,000). Earnings per 25p share were down at 3.03p (5,24p).

The interim dividend is held at 1.15p net—last year a total

at 1.15p net—last year a total dividend of 3.5p was paid from

Charnos advances

FOR 1979, pre-tax profits. Charnos, the stockings, tights and lingerie and knitwear manufacturer, jumped from £733,615 ti £1.1m on increased turnover £18.54m compared with

Sales for the first half of 1980 are again ahead of last year's, Mr. R. Noskwith, chairman, says. He adds, however, that the effects of the economic situation

Tax last year took £237,042
The chairman says the second half is extremely difficult to forecast, but if interest rates fall and the dollar strengthens against sterling, the group will become much more competitive at home much more competitive at home met.

The chairman says Government support had less influence on the result than in 1978 but on the result than in 1978 but range of Aeroset powder spray-was neverthless substantial—ing equipment, which will rep-therefore the group's perform-ance can still not be regarded under the existing trade names.

duced a further large loss. The board reports there has been no improvement in the double jersey area and has thus decided to withdraw entirely from its involvement in the manufacturer of double jersey fabrics. Although the recession has affected all divisions, the group has avoided serious redundancies except for the closure of its Burton-on-Treut ancillary knitwear factory with a loss of

Meeting: Ilkeston September 29, 3.30 p.m.

WOLSTENHOLME

RINK ACQUISITION Charles Openshaw and Sons (Manchester), a subsidiary of Wolstenholme Rink, has acquired the assets and goodwill of the print division of Aerostyle from the joint receivers of that company, Mark Homan and Gordon Horsfield of Price Waterhouse and Co. The value of the assets being acquired is approximately

£160,000.
Openshaw intends to continue and develop the business form-erly carried out by the Aerostyle Print division. It has particular interest in Intergran anti-set off spray powder and the related

James Fisher holds profit

TAXABLE profits of James 0.75p, after allowing for the one ahead from £1.93m to £2.15m in the first half of 1980 on sales of £7.69m, compared with £6.82m.

The surplus was struck after interest and dividends received of £253,724 (£107,274) and was after charging bank and mort-gage interest of £170,725 (£187,071). Depreciation took £1.05m (£895,546).

Fisher and Sons, shipowner and for one scrip issue, to 1p met. ship and insurance broker, edged Last time a final equal to 1p was paid from pre-tax profits tof The directors say the modes increase in profits was achieved

despite the downturn in the economy, the major world-wide effects of the steel strike during the first three months.

After a higher tax charge of the fraction of the fraction of the cast for the remainder of the cast for the cast year, adding that the company The interim dividend is in- will do well if it is able to maincreased from the equivalent of tain its past record of progress.

THE GREAT NORTHERN TELEGRAPH COMPANY (LIMITED)

THE GREAT NORTHERN TELEGRAPH COMPANY'S HOLDING COMPANY LIMITED

Interim Statement for the first half of 1980 for The Great Northern Telegraph Company Limited of Denmark

The operations of The Great Northern Telegraph Group show some improvement for the first half of 1980 in both turnover

and earnings.

The improvement derives from both the Parent Company and the Subsidiaries with the exception of LK-NES which was seriously affected, especially in the second quarter, by the falling activity within the Danish building and construction sector. Intensified competition is experienced in most export markets. This prevents sufficient price adjustments to cover cost increases. On the Dadish market the downward trend has cost increases. On the Datish market the downward frend hasbeen more marked since the second quarter. The steep decline in the demand on the domestic market has also led to require unintentional, large build-up of stock, the financing of which is a great burden because of the present high level of interest. The report for 1979 mentions activities aimed at increasing productivity and reducing operating expenses in the Group Companies. These activities were carried through as planned and made a positive contribution towards the result. This very weak market trend has the opposite effect because the very weak market trend has the opposite effect because the necessary adjustments to the lower rate of activity will have no more than a negligible influence on costs within the present year. Consequently, the Group's result for 1980 is expected to be on the same level as the result for 1979.

The Board of Directors.

This advertisement complies with the requirements of the Council of The Stock Exchange of the United Kingdom and the Republic of Ireland.

Finance for Industry International B.V. (Incorporated in The Netherlands with limited liability)

£20,000,000

133 per cent. Guaranteed Notes 1987

unconditionally and irrevocably guaranteed by

Finance for Industry Limited (Incorporated in England under the Companies Acts 1948 to 1967)

Issue Price 100 per cent.

The following have agreed to subscribe or procure subscribers for the Notes:-

S. G. Warburg & Co. Ltd.

Banque de Paris et des Pays-Bas

The Royal Bank of Scotland

Limited

County Bank Limited Lloyds Bank International Limited Samuel Montagu & Co.

Limited

16th September, 1980.

Barclays Bank Group

IBJ International Limited Merrill Lynch International & Co.

Nomura Europe N.V.

Salomon Brothers International

Westdeutsche Landesbank Girozentrale

The 20,000 Notes of £1,000 each constituting the above issue have been admitted to the Official Lisbof The Stock Exchange of the United Kingdom, subject only to the issue of the Notes. Interest is payable annually on 1st October, the first such payment being due on 1st October, 1981.

Particulars of the Notes and Finance for Industry International B.V. and Finance for Industry Limited are available from Extel Statistical Services Limited and may be obtained during normal business hours up to and including 1st October, 1980 from:— Hoare Govett Ltd., 27 Throgmorton Street,

Heron House, 319-325 High Holborn, London EC2N 2AN. London WC1V 7PB.

supplies... As a result of far-sighted policies during recent years, we improved our raw material supply situation:

Securing raw material

• 45 percent of our <u>petroleum</u> and 60 percent of our <u>liquid gas</u> requirements at Ludwigshafen are now met by our subsidiary company,

Wintershall AG. New cracker plants in <u>Lingen</u> (north west Germany), and <u>Ludwigshafen</u> on Rhine, and our <u>refineries</u> in <u>Mannheim</u> and <u>Salzbergen</u> (north west Germany), form the basis of our self sufficiency programme, a new plant for aromatic compounds will shortly supplement our supply

of basic products. Wintershall now supplies BASF AG with almost three quarters of its heavy fuel oils required for energy production and two thirds of the light

 We have great hopes for the immense gas discovery made in the Persian Gulf. Through Wintershall we have a 325 percent share in an estimated 1,000 billion cubic metres of gas in this field.

as the basis for high technology chemistry

We manufacture several hundred chemicals from a few basic elements such as water, air,

sulphur and salt, as well as natural gas and

ity products for the pharmaceutical and cosmetics industries, magnetic media for sound,

As everyone knows, oil and gas prices have shot up in the last few years and we, too, have

been hit by them. So what is our response?

picture and data recording...

crude oil. We convert these into 6,000 marketable products: plastics, crop-protection agents and fertilizers, dyestuffs and pigments, special-

We are building our future on the basis of greater self sufficiency in petrochemical raw materials: high technology chemistry closely related to end-user applications. Examples of this high technology

 Special plastics geared to specialized markets, semi-finished as well as finished products.

Speciality chemicals, such as additives for fuels and chemicals for the purification of sewage.

Additives for drugs-and crop protection.

New <u>audio</u> and <u>video media</u>.

Vitamins for nutrition and animal feeds.

Worldwide use of know-how

Three quarters of our products are manufactured in Germany, but over half of them are sold abroad. The <u>focal points</u> of our foreign operations are; Europe, the USA, Brazil and Japan.

We believe in our strategy for safeguarding the future, whatever the vagaries of economic trends.

Our principal subsidiary in the United Kingdom is:

BASF United Kingdom Limited P.O. Box 4, Earl Road Cheadle Hulme Cheadle, Cheshire SK8 6QG

BASF Aktiengesellschaft D-6700 Ludwigshafen/Rhine

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HTED.

Pound eases

Sterling lost ground in cur. Friday. Trading was generally rency markets resterday, compared with Friday's levels, but firmer tendency on higher Euroding some signs of stabilising. Its latest rise in U.S. prime rates to trade weighted index was down 124 per cent. Sterling slipped to at 75.6 compared with 76.2 on DM 4.2710 from 4.2960 on rumours that Saudi Arabia would and by 9 am, the pound had accovered to \$2.3910. At noon it was quoted at \$2.3950, but eased further to \$2.3880 before eximing back to \$2.3880 before fall of 1.75c. Sterling may have been weakened by growing specutation that MLR will be cut in the near future, and also fears to a national strike by UK dock of a national strike by UK dock

Companies and Markets

may have reflected a firmer trend in Euro-dollar rates following the increase in U.S. prime rates last "Friday to 12; per cent. Against the D-mark it finlshed at DM 1.7830 compared with a high "of DM 1.7805. Similarly in terms "of the Swiss franc it finished at SwFr 1.6325 compared with a SwFr 1.6325 compared with a SwFr 1.6325 compared with a "bligh of SwFr 1.6410 and SwFr 1.6300 on Friday. On the other blind the Japanese yen showed a net rise on the day, with the swiss of the swiss of the swiss of the swiss franc it finished at SwFr 1.6325 compared with a swille sterling eased to FFr 9.9250 from FFr 9.9940. The Deutsche Mark was also weaker at FFr 2.3247 against FFr 2.3258 on Friday.

thon—There was no intervention tion of the increase in tourist by the Bundesbank at yesterday's trade. The dollar fell to L845.35 fixing in Frankfurt when the from L847.05, while sterling was fixed at DM 1.7805 on L2,044.3 on Friday.

Friday, but was calculated at 75.6 for all three of the day's calculations. Against the dollar it opened at \$2.3985-2.3995 and 2.400-2.4010, before coming back to its lowest level of the day at \$2.3860-2.8870.

These were all carly movements and by 9 am the pound had while the French franc was higher at DM 43.025 per FFr 100 against DM 43.00 pre-

viously. FRENCH FRANC-Showing a weaker lendency within the EMS, and recently displaced at the lop of the system by the Dutch guilder and Irish punithe French franc was slightly workers.
The U.S. dollar was firmer
initially, and finished above Friday's levels but below its best level of the day. Early trading may have reflected a firmer trend

The U.S. dollar was firmer overall yesterday at the Paris fixing, rising in terms of sterling and the Deutsche Mark, although on the other hand the dollar was slightly stronger. Dealers noted that figures for Dealers noted that figures for August showed a navgroup in

net rise on the day, with the U.S. unit easing to Y212.60 from P7213.10. On Bank of England figures, the dollar's trade weighted index rose to 83.4 from 83.2. devaluation — The lira was slightly firmer at yesterday's fixing in Milan, rising against the Europeau Monetary System of late, but showing signs of recovery against the dollar following doubts about the future trend in U.S. Interest rates and Rederal Reserve monetary policy in June and \$34.973 in July 1979. Rederal Reserve monetary policy in June and \$34,973 in July 1979, shead of the Presidential elec- with the rise seen as a reflec-

EMS EUROPEAN CURRENCY UNIT RATES									
Sut-	central CECU	Corrency amounts against ECU September 15	% change from central rate	% change adjusted for divergence	Divergence				
Belgian Franc "Danish Krone "German D-Mark	39.7897 7.72336 2.48708	40.5550 7.81890 2.52902	+1.92 +1.24 +1.89	+0.76 +0.08 +0.73	±1.53 ±1.64 +1.725				

±1.3567 ±1.512 5.87693 Dutch Guilder 2.7/382 Trish Punt 0,588201 Changes are for ECU, therefore positive change denotes a week currency. Adjustment calculated by Financial Times.

THE POUND SPOT AND FORWARD

		Day's				Three	%
	Sept. 75	sprend	Cinse	One month	p.a.	menths	p.a.
	U.S.	2.3860-2.4010	2.3965-2.3975	0.97-0.87c pm	4,60	2.10-2.00 pm	3.42
v	Canage .	2.7730-2.7920	2.7900-2.7910	1.50-1.40c pm	6.24	3.30-3.20 pm	4.66
3	Nethlad,	4.82-4.561	4,6412-4,8512	213-113c pm	5.16	5½-4½ pm	4.52
a	Balgium	68.25-66.60	68,56-68.65	27-17c pm	3,85	58-46 pm	3.09
-	Denmark	13.15-13.25	13.20-13.21	1 ³ g-3 ¹ gore dis	-2.27	111-121-die	-3,67
e	freland	1.1260-1.1355	1.1335-1.1345	0,25-0.15p pm	2.12	0.50-0.40 pm	1.59
n	W. Ger.	4.25-4.29	4.27-4.28	31-21-pf pm		74-64 pm	6.67
_	Portugal	118.20-119.40	119.00-119.20	10c pm-28 dis		60pm-105dis	-0.76
0	. Spaın	174.65-175.90	175.80-175.90	39-80c dis		205-285dis	-5.69
n	Italy	2024-2037	2032-2033	21-41-lira dis	-2.07	31-34 dis	-6.40
d	Norway	11.52-11.60	11.56%-11.57%	512-35 ore pm	4.54	914-71 pm	2.95
	France	9.89-9.96	5,921,-9,931,	414-314c pm	4.53	9-8c pm	3.42
	Sweden	9.92-9.99	9.96-9.96	par-3ore dis			-1,48
,	Japan .	503-513	509-510	1.95-1,5\$y pm	4.12	4.85-4.45 pm	3.65
τ	Austria	30,10-30,35	30.25-30.30	13-11gre pm	4.76	29-24 pm	3.50
	Switz.	3.90-3.94	3.90%-3.91%	4-3c pm		10-9 pm	9.71
ł			or convertible		l franc	6R 95_69 ns	
•	5	ix-month forwa		2,62c pm 12-mo	mth 3.3	5-3.20c om.	
•	_					Pilli	

THE DOLLAR SPOT AND FORWARD

Sept. 15	Day's spread	Close	One month	D.a.	Three months	% p.s.
UK+	2.3860-2.4010	2.3965-1.3975	0.97-0,87c pm		2.70-2.00 pm	
Irelandt	2,7100-2,7140		0,45-0,35c pm	3.33	1.15-1.05 pm	
		2.1110-2.1130		2.27	1.12-1.05 pm	2.08
Canada	1.1628-1.1643	1.1628-1.1631	0.12-0.07c pm	U.36	0.36-0.31 pm	1.15
Nethind,	1.9372-1.9400		0.25-0.15c pm		0.65-0.55 pm	1.24
Belgrum	28.57-28.65	28.60-28.62	1c pm-1, dis		1-3 dis	-0.28
Denmark	5.5065-1.5165	5.5100-5.5115	2.85-3.35ore dis		9.25-9.75dis	-6.89
W. Gar.	1.7810-1,7870	1.7825-1.7835	0.54-0,50pf pm	3.50	1.56-1.51 pm	3.44
Portugal	49,57-49,80	49.65-49.75	15-30c dís	-5.43	40-85 dis	~5.03
Spain	73.28-73.44	73.38-73.43	50-70c dis			-9.54
Italy	847.80-848.60	848.20-848.50	4½-6lire dis		21-32 dis -	10.37
Norway	4.8236-4,8285	4.8260-4.8275	0.15orpm-0.35ds			-0.62
Frence	4.1410-4.1500	4,1410-4,1425	0.10c pm·par		0.10pm-0.05ds	
Sweden	4,1520-4,1605	4.1525-4.1540	1.75-1,90ore dis	−5.27	5.00-\$.15dis	- 4.89
Japan	210.60-212.80	212.55-212.65	0.10-0.25y dis		0.15 pm-per	0.14
Austria	12.611-12.6312	12.6214-12.6314	0:60gro pm-par	0.28	0.90pm-0.85ds	0.01
Switz.	1.6310-1.6410	1.6320-1.6330	0.84-0.79c pm	5.99	2.80-2.55 pm	6.31
		re quoted in L		nward	premiums and	ni i
ďisco	unts apply to	the U.S. dolla	r and not to the			

CURRENCY	MOVEMENTS
	•

		-				
Sept. 15		Morgan Guaranty Changes	Sept 12	Bank rate %		European Currency Unit
riing, dollar, dollar, dollar, adilar dollar, dolla	83.4 80.5 155.9 115.1 106.8 154.5 197.7 126.3	+13,3 -4.6 +43.6 +80,2 +20,2 -5,9 -51.6	Sterling U.S. S Cansdian 5 Austria Sch Belgium F Danish K Danish K Dinark Guilder French Fr., Lira Yen Norwgn Sp anish F Swedish Kr	10 10.57 63 12 13 71 91 15 8.25	1,32247 1,53509 16,6608 37,7658 unavail. 2,35359 2,55782 5,47188 1119,62 286,641 6,36613	1.55073 17.9001 40.6004 7.82375 2.53117 2.74975 5.88451

CURRENCY RATES

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER CURRENCIES

Sept. 15	£		<u> </u>	£ Note Rates
Argentina Peso	4581-4601	1917-1924	Austria	30.10-30.40
	2.0405-2.0446	0.8525-0.8530	Beigium	68.65 69.25
Brazil Cruzeiro	134.87-135.87	56.54-56.74	Denmark	13.11-13.21
Finland Markka	8.70-8.72		France	9.88-9.95
Greek Drachma			Germany	4,2514.4,2814
Hong Kong Dollar			Italy	2015-2110
Iran Risk			Japan	507-512
Kuwait Dinar(KD)		0.2665-D.2666	Notherlands	4.62 4.66
Luxembourg Frc.			Norway	11.49-11.59
Majaysia Dollar			Portugal	11534-12612
New Zealand Dir.			Spain.	17012-179
Saudi Arab, Riyal.			Sweden	9,89,9,99
Singapore Dollar.		2.1115.2.1155		3,9014-3,9314
Sth. African Rand			United States	2.388 2.398
U.A.E. Dirham			Yug əslayla	7014-73
-				

Rate given for Argentina is free rate.

the bid and offered rates for \$10m quoted by the market to five reference banks at

EXCHANGE CROSS RATES

3 months U.S. dollars

Sept. 15	PoundSterling	U.S. Dellar	Deutishem's	Japan'seYan	FrenchFranc	Swiss Franc	DutchGulid'	italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	0.417	2.397	4,275	509.6	9.928	3,913	4,650	20 33	2.791	68,60
U.S. Dollar		1	1,785	212.6	4.142	1.632	1,940	847.9	1.164	28,63
Dautschemark	0,234	0:561	8.391	119,2	2,322	.0,915	1,088	475,4	0.653	16.05
Japanese Yen 1,000	1,963	4.705		1000.	19,48	7,679	9,127	3989,	5.477	134.6
French Franc 10	1.007	2,415	4,306	513.2	10.	3.941	4.684	2047.	2.811	69.10
Swiss Franc	0.256	0,613	1,093	130.2	2.537	1.	1,188	519,5	0.713	17.53
Dutch Guilder	0.815	0.515	0.919	109.6	2,135	0.841	1.	437.1	0.800	14.75
Italian Lira, 1,000	0.492	1.179	2,103	250.7	4,884	1.925	2,288	1000.	1.373	33.75
Canadian Dollar	0,358	0.859	1,532	182,6	5,558	1,402	1.656	728,4	1.	24.58
Belgian Franc 100	1,458	3,494	6,232	742,7	14.47	5,703	6.778	2953.	4.068	100.

FT LONDON I	NTERBAN	K FIXING	(11.00	a.m. SEF	TEMBER	15)	•		·	
Canadian Dollar	0,358	0.859	1,532	182,6	5,558	1,402	1.656	728.4	1.	24,58
Belgian Franc 100	1,458	3,494	6,232	742,7	14.47	5,703	6.778	2953.	4.068	100,
Dutch Guilder	0,215	0.515	0.919	109.6	2.135	0.841	1.	437.1	0.800	14.75
Italian Lira, 1,000	0,492	1.179	2.103	250.7	4.884	1.925	2.288	1000.	1.373	33.75
French Franc 10	1.007	2,415	4.306	513.2	10.	3.941	4.684	2047.	2.811	69,10
Swiss Franc	0.256	0,613 -	1.093	130.2	2.537	1.	1,168	519.5	0.713	17,53
Japanese Yen 1,000	1.963	4.705	8.391	1000.	19.48	7.679	9.127	3989	5,477	154.6

11 am each working day. The banks are National Westminster Bank, Bank of bid 12 1/2 offer 12 6/8 offer 12 1/8 Tokyo, Deutsche Bank, Banque Nationale de Paris, and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market Closing Rates)

6 months U.S. dollars

							<u> </u>			
:	Sept_15 Sterling	U.S.Dollar	Ganadian Pollar	Dutch Guilder		West German Mark		Italian Lira	Asian \$	Japanese Yen
	15hort term	1054-11 1118-1156 1178-1218 1178-1218 1256-1256 1855-1258	9-10 9-12-11 -40-10-2 10-12-10-78 11-18-11-12 11-58-12	1014-1056 1015-1012 1012-1056 1056-1054 1056-1054	55g-31g 5-31g 55g-534 55g-534 534-57g 51g-56g	814-834 814-834 814-84 814-84 814-84	1114-1112 1114-1112 1158-1178 1178-1218 1214-1212 1212-1234	14-18 15-19 181 ₂₋₂₀ 22-23 241 ₂₋₂₅ 251 ₄₋₂	10+9-11-5 1078-11 12-12-18 12-12-18 12-12-12-18 12-12-12-18	111g-12 124g-125g 131g-1234 111g-1134 101g-1034 98g-97g

Long-term Eurodoller two years 11^{12}_{3a} - 11^{12}_{3b} per cent; three years 11^{12}_{3a} - 12^{12}_{3a} per cent; four years 12^{2}_{3a} - 12^{2}_{3a} per cent; five years 12^{2}_{3a} - 12^{2}_{3a} per cent; size months 12.15-12.25 per cent; one year 12.25-12.25 per cent;

INTERNATIONAL MONEY MARKET

German rates mixed

Call money was easier in the Frankfurt money market yester-day, despite seasonal tax payments, which are expected to lead to a tightening of conditions were easy at the start, but became tighter through company this week. Quarterly tax transfers will cause a severe drain on fers will cause a severe drain on market liquidity, probably pushing call money above the present Lombard level of 91 per cent, Lombard level of 9; per cent, unless the Bundesbank intervenes to give assistance. Call money 4:11 to 9.30-9.40 per cent from 9.35-9.55 per cent yesterday, with one month and three months funds steady at 9.15-9.25 per cent and 2.00-9.10 per cent respectively. Longer term rates were firmer, however, with sixmonth rising to 8.30-9.00 per cent from 8.75-8.80 per cent and 12from 8.75-8.80 per cent, and 12-mont to 8.55-8.75 per cent from

8.45-8.65 per cent. In Paris call money rose to 11! per cent from 11! per cent due to a temporary shortage of funds, while trading was generally cautious in anticipation of news from the Organisation of to five or six houses, overnight at Petroleum Exporting Countries Miniumum Lending Rate. meeting in Vienna. It was feared that higher oil prices may lead to pressure on the French franc and thus to higher interest

Tokyo was closed for a public holiday, but short term rates are expected to increase this week as funds are required for monthly wage payments, while

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MONEY RATES	: : : <u>:</u>
LINE VARY	
Primo Rete	1214
Fed. Funds	11-115
Treasury Bills (13-wcek)	14,64 ·
Treasury Bills (26-wook)	10,80
GERMANY	
Discount Rate	7.50
CABinidal beta	
One month	9.20
Three months	9.05
Six months	8.90
FRANCE	
Discount Rate	9.5
Overnight Rate	17.5
One month	. 17.625
hree months	11.8125
Six months	11,875
IAPAN	-
Discount Rate	8.25
Call (Unconditional) A	-11-3125-
Rille Discount (three month)	11.46875

UK MONEY MARKET Moderate shortage

Bank of England Minimum Lending Rate 16 per cent (from July 3, 1980) Day-to-day credit was in short supply in the London money market yesterday, and the authorities gave moderate assistance by buying a small amount of Treasury bills and a small number of local authority bills from the discount houses, and by lending a small amount

The major factor against the market was a very large excess the small amount borrowed on of revenue payments to the Friday. On the other hand there Exchequer over Government disbursements, and repayment of circulation.

Weaker trend

GOLD -

Gold lost \$18 an ounce in the London bullion market yesterday to \$668-671. It opened at \$675-\$678, which was its best level of the day, but slipped to a low in the afternoon, soon after the entry of New York into the mar-ket, at \$663-665. There was no cabily identifiable reason for markets closing early for a holigold's decline, but selling deveday.

New York.

In Paris the 12½ kilo bar was fixed at FFr 89,000 per kilo (8667.59 per ounce) compared with FFr 88,600 (8664.83) in the morning, and FFr 90,440 (8679.54) on Friday afternoon.

In Frankfurt the 12½ kilo bar was fixed at DM 38,745 per kilo (8675.98 per ounce) against (\$675.98 per ounce) against DM39,740 (\$694.91) previously, and closed at \$666.668 compared with \$684-687 on Friday. In Zurich gold finished at \$671-674 against \$685-688, with

loped soon after the opening of New York.

	Sept. 15	Sept 12						
Gold Bullion (fine ounce)								
Close	(£279-280 ½) (£282½-284¼) (£280,676) (£278,463)	\$685-689 \$692-695 \$693-50 \$685-50	(£284 4-28512) (£26634-288) (£287,104) (£284,086)					
	.Gold Coins							
Krugerrand	(£288-2891 ₂) (£286-289 (£2714-7214; (£35-84) (£83-84,	\$7 09-711 \$705-708 \$174-175 \$200-203 \$200-203 \$16719-17012 \$847-850 \$669-673 \$790-795	(£2931 ₂ .2951 ₂) (£2913 ₂ .2943 ₄) (£72-73 (£621 ₂ .831 ₂) (£621 ₂ .831 ₂)					

Discount houses paid up to 16 per cent for secured call loans, with some money taken at 151-15≹ per cent.

LONDON MONEY RATES

8apt. 15 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth, negotiable bonds	House	Company Deposits	Discount market deposits	Tressury	Eligible Bank Bills &	Fine Trade Bills ≠
Overnight		1534.19		-	~	1634.1678	1512-16	<u> </u>	- 1	_
2 days notice	(— 1	– !	161 ₂	(– i		1 – :	. –	· - · ·	— i	_
7 days or	! ¦	- :] ';	~	-	_	- 1	- I	_
7 days notice	· ' ;	16lg. 167g	161 ₂ .16ta		17		1512-1558		1	_
· One month		164-165a	1608-1612	174-175	171 ₈	16% 17	154-156g	1439@41	163e	17
Two months,		16 16		1714-1712	- 16 Ta	! -	143.15	1436-14-4	154-154	. 163e .
Three months.	15; 16;	155a-15 } i	156g-15%	164-164	16 `	1614-161g	144-144	14 & 143	154-154	163g 153g
Six months		14 14 14 1	1432-1478	146g-15	15/6	1530-1512		, ' ',	13, 133	1450
Nine months		14-14 is		1448-144	1412	15		:		_ `
One Year,		133. 13 (1378-14	1334-1418	14(6	1434	_	- (_ }	!
Тую уевля			181,-137	 		! -		- ;	_ 1	- '

Local authority and finance houses seven days' notice, others seven days' fixed. Long-term local authority mortgage rates nominally three years 13½-13½ per cent; four years 13½ per cent; five years 13½-13½ per cent.

Buying rates for prime paper. Buying rates for four month bank bills 14½, per cent; four month trade bills Approximate selling rate for one-month Trassury bills 14%, per cent; two-months 14%, per cent; three-months 14%, 14% per cent. Approximate selling rate for one-month bank bills 16% per cent; two-months 15%, 15% per cent; three-months 14%, per cent; and three-months 15% per cent;

Finance Houses Base Rates (published by the Finance Houses Association) 16'2 per cent from September 1, 1980. Clearing Bank-Deposit Rates for sums at seven days notice 14 per cent. Clearing Bank Rates for lending 16 per cent. Treasury Bills: Average tender rates of discount 14.4024 per cent.

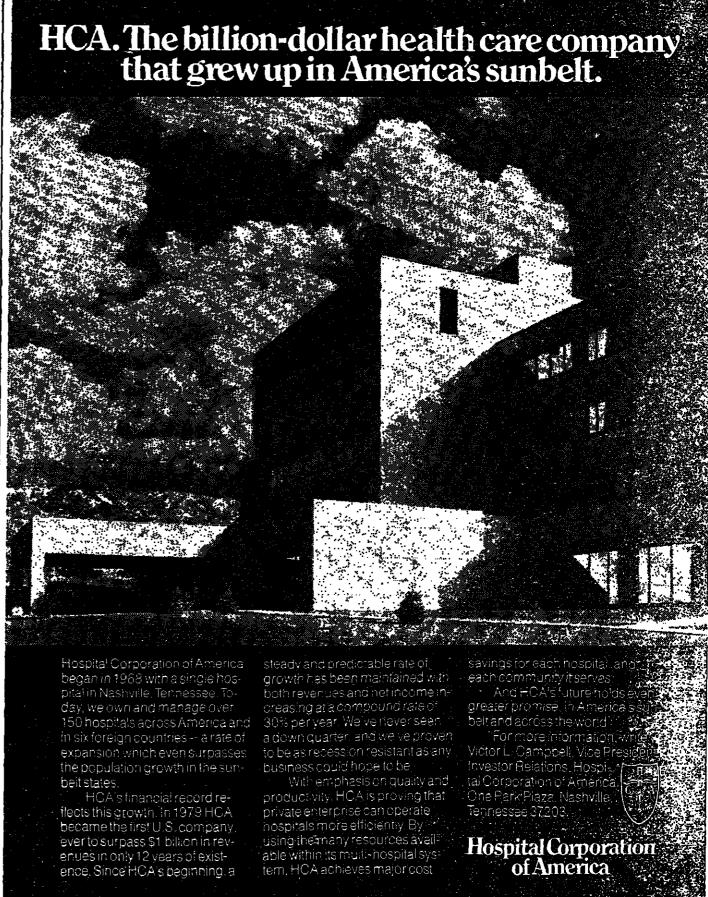
WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on September 15. 1980 in gone cases rates the property of the pound. Market rates are the average of buying and selling rates.

Abbreviations: (A) approximate rate, (Base) basic rate: (b) based on U.S. dollar panties rate: (ch) convertible rat

PLACE AND	LOCAL UNIT	£ STERLING	PLACE AND LOCAL UNIT	VALUE OF £ STERLING	PLAGE AND LOCAL UNIT	· VALUE OF £ STERLING
Afghanistan	Afghani	105.0	Greenland Danish Kroner	13,205	Peru, Soi	exc (A:666.18
Albania	Lak	10,07	I Gronzoz ISI E. Carinhean S	6,45	1 Philippines Philippine Peso	17.50
Algeria	Dinar .	9,1750	Guadaloube Local Franc	9,9275	Pitcairn Islands (S) E Sterling New Zealand F	: <u></u>
Andorra	French Frenc	9,9275	1 Guanna U.S. S	2,3970	New Zealand F	2.4310
Angola	Spanish Peseta	175.85	Guatemala Quetzal	2,3970	Poland Zloty	(Cm)72,88
Antique i C	KWANZA	70,3506 6.45	Guinea Republic Syli	44.70 79.70		(T)72.86
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That part of the French community in Africa formarly French West Africa or French Equatorial Africa. † Rupees per pound. ‡ General rates of oil and from exports 100.65. **Rate is the transfer market (controlled). ††Rate is now based on 2 Barbados \$ to the dollar. ‡*Now one official rate. (U) Unified rate. Applicable on all transactions except countries having a bilateral agreement with Egypt, and who are not members of IMF. (||) Based on gross rates against Russian rouble. (1) Official rates for government transactions and specified exports and imports. (2) Parallel rate for non-government transactions and non-specified



Kathryn Davies reports on Singapore's new economic policy

Industrial revolutionary

FOR A man who carries the weight of an industrial revolution on his shoulders, Mr. Goh Chok-tong is remarkably urbane and seemingly unremarkably troubled. Singapore's 39-year-old Minister of Trade and Industry was catapulted into the limelight in March last year, when he was given many responsibilities formerly belonging to the Finance Minicipe is still to come, and some employers have protested that that he is the sole architect of Singapore's new economic policy—"that would imply that I's superman" Mr. Goh is to implement the pay guide-identified in the public eye as lines. Mr. Goh admits that the man who must either drag or lead Singapore "forward and upward." to quote Mr. Lee Kuan Yew, the Prime Minister.

The goal is a restructured economy, eliminating as far as unskilled labourintensive industries and encouraging greater mechanisaamong the local workforce.

The most controversial aspect of the policy is the imposition private and public sectors. The National Wages Council, which Mr. Gob gives equal emphas

recommends annual wage increases, has the Government's its three-year campaign for ihgher wages: It began last year with increases of about 20 per cent. The second round—published in June—is expected to add 19 per cent to the country's wages

they are being doubly squeezed -by the need to invest in plant and equipment and by having profits are being squeezed, although not, he says, to the point at which businesses are no longer viable.

An important part of the wage policy is to correct the conservatism of recent years. Wages in countries seen as comnetitors-Hong Kong, Taiwan tion, more sophisticated capital and South Korea-rose more investment and increased skills rapidly in the late 1970s than those in Singapore. By sup-pressing wages they have fallen below what would have been of greatly increased pay rates achieved by market forces. As for employees in both the a result we now have an over-

strategy: fiscal incentives to per-suade employers to mechanise, intensive skills training for manpower, and a wage structure to encourage greater productivity. He says it is too early to tell whether the policy is working, but there are indications that it is having the desired effect.

"The demand for labour as measured by jobs created has dropped sharply," he says. Productivity has also improved— with an additional 3 per cent salary increase available for better workers under this year s wage guidelines.

Mr. Goh's background as an

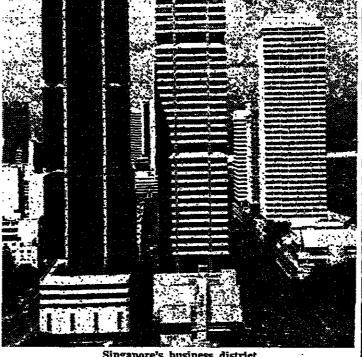
economic planner — he has a first-class economic degree from Singapore University and an MA in development economics from Williams College in the U.S.—makes him a good candidate for his present portfolio. But like other recently But like other recently appointed Ministers, Mr. Goh is a relative newcomer to politics and lacks the experience of Prime Minister Lee and his colleagues on the hustings

"We are technocrats who try Mr. Goh gives equal emphasis to learn to become politicians,"

speeches lack the charisma he shows in private conversation. does not really matter. But there could be problems, as Mr.

have an inflationary impact on the domestic economy, leading to unacceptably high prices. Singapore workers may become complacent, and already seem reluctant to work unsocial hours. High international interest rates — beyond Singa-pore's control — could make the financing of capital equipment too expensive for many Another energy companies. crisis could throw everybody's calculations out of the window.

But Mr. Goh is reasonably confident that Singapore can weather the worst effects of the recession. "I do not have a crystal ball and I cannot tell you what the imponderables are. But there are certain basic steps that we can take to secure for ourselves a brighter future, and we have begun taking these steps - training of manpower. measures to improve productivity growth, diversifying chance sources of energy, energy conget."



servation, export promotion and ensuring that our political stability continues. We are targeting to grow at 8 per cent per annum in this the policy succeeds then I shall decade. Barring any major remain in politics." (He is political or economic disorder in the world, we have a fair

Mr. Goh accepts his identifification with the success or fai-lure of the economic policy with humour and resignation. tipped as a future Prime Minister.) "If it fails then of course I shall go down with it

Confidence that exports will win the day

"WE DO not expect the and GDP up 10.7 per cent in recession to hurt us-yet," says Mr. Haider Sithawalla, general manager of ACMA Electrical Industries, a Singapore company which exports refrigerators and air-conditioners to 38 countries from its base on the Jurong Industrial Estate.

Mr. Sithawalla's cautious optimism typifies the current mood in Singapore, seemingly justified in the latest half-yearly economic indicators presented by Prime Minister Le Kuan Yew in his national day message last month. Net manufacturing investment commitments were up 57 per cent in the first six months of this year to a total of S\$1,180m (£231m), with nonpetroleum projects increasing Singapore's foreign trade. Their by 83 per cent to S\$979m, indus-

real terms.

confidence is Singapore's boosted by the knowledge that its admirable export perform-ance ensured that the effects of the 1974-75 recession were minimal, even though a slight loss of nerve by the Government in encouraging too many labour-intensive industries in the city state acted as a temporary brake on the drive for greater economic sophistication.

In 1974 ACMA was a small electrical company making refrigerators for the local market under technical licensing Japanese arrangements with and American manufacturers. Multinationals, then as now, played the dominant role in

from some of the protectionist measures applied to its neighbours.

ACMA had virtually saturated the obviously limited demand for its product in a population of 2.3m. It disliked its dependence on licensing and believed there was an overseas demand for "no frost" refrigerators of less than 15 cubic feet capacity which would avoid direct competition with U.S. manufac-

In January 1977 ACMA's new plant began production with an eight-fold increase in capacity, making refrigerators entirely for export. Since 1978 exports have virtually doubled each. year. ACMA now sells to almost 40 countries in the Middle East, Africa, Australia and the worldwide marketing networks Pacific islands, as well as to its trial production up 13.5 per cent helped to insulate the Republic South East Asian neighbours.

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These slim and graceful birds are found

aterways of South Asia and

Australia. Pairs are often

seen together:

chiefly on the sea coasts and major

cent increase over the previous year, pre-tax profits leapt by 40 per cent to S\$4.6m and earnings after tax per share increased by 29.7 per cent from 19.5 cents to 25.3 cents.

Although a small company in neternational terms, ACMA international terms. claims to be one of the largest refrigerator exporters in the world. It sells between 65 to 70 per cent of its output abroad, a higher proportion than com-panies in either the U.S. or Japan. Expansion plans include the setting up of a joint venture in Indonesia, in which ACMA will hold a 40 per cent equity, to produce both air-conditioners and refrigerators.

like ACMA fear more than any recession is their own Govern- market as well as manufactur-

Last year's group turnover of ment's progressive dismantling ing their goods for export. Not S\$70m represented a 30 per of the few remaining import tariffs which have hitherto protected local manufacturers.

> "Contrary to some beliefs, local entrepreneur is not an endangered species,
> Minister of Trade and Industry Mr. Goh Chok-Tong in his budget speech in March. But the Government will not protect Singaporeans against competition either, leading to anguished cries from some manufacturers as they contemplate their rising costs while yet more multi-nationals are invited to set up shop in Singapore.

"We cannot sell in Japan," says Mr. Sithawalla simply. i refrigerators.

But big household names like
What Singapore companies
Hitachi, Mitsubishi and Sanyo compete for the tiny local

that Mr. Sithawalla is against the multinationals.
"I think for Singapore they

are a good thing, in terms of supply of components and transfer of technology," he says.
"But what we feel is that although the local market may seem small, for certain industries it can be significant."

ACMA too suffers from Singapore's tight labour market and uncertainties over whether it can find enough employees to match its planned expansion, both of existing foreign markets and new ones. The rising cost of oil-based raw materials-par ticularly plastics—is another worry. In this context, the recession still seems remote. So far we have not found any slackening of demand," says Mr. Sithawalla.

CONTRACTS £2m nuclear engineering

A contract from Sweden valued at more than £2m, for the design, supply, installation and commis-sioning of plant to convert two existing steam boilers from oil to coal/oil firing has been placed with the burner division of PEABODY HOLMES. The contract was placed by the Vasteras Municipal Authority. The boilers to be converted are used for power generation and district heating.

METAL AND PIPELINE ENDURANCE has won a two-year contract to provide inspecservices at the Nigg Bay site of Brown and Root-Wimpey High-land Fabricators. Worth about £1.2m, the contract is managed by MAPEL's office at Nigg Bay. It entails the supply of the skilled engineers and equipment needed to help Highland Fabricators to help Highland Fabricators carry out inspection, ultrasonic testing, radiographic examination, and magnetic particle inspection of the jacket structure for the BP Magnus Field, the biggest oil platform ordered so far for the North Sea.

A contract worth over £400,000 for valves to be used in a major mains replacement project by Trinidad's Water and Sewerage Authority has been won by EUROVALVE, the UK-based joint production venture of the British Steel Corporation and Pont-a-Mousson SA of France. The contract was obtained by the company's agent, Century Eslon, Port of Spain.

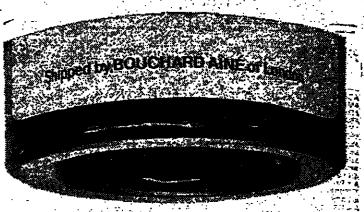
FERRANTI COMPUTER SYSTEMS has received a £130,000 order from the British Steel Corporation, for an Argus 700G computer system to replace an Argus 500 system at the BSC Scunthorpe heavy section mill, finishing end.

Courage (Western) has placed a major contract with ERBEN for the Bristol Brewery. The project involves the reorganisation of the cask handling section at Bath Street, replacing plant to give beter utilisation of space and increasing operating flexibility.

A Davy company in the U.S. has been awarded a contract for a 200m gallons per year methanol plant by Arco Chemical Company, a division of Atlantic Richfield Company. The plant, said to be one of the largest in the world, is to be built at Channelview. Texas, and completion of the project is scheduled for early 1983. The contract has been awarded to DAVY MCKEE CORPORATION, the main U.S. subsidiary of Davy Corporation of London.

STOTHERT AND PITT, Bath, has a contract worth £1½m for the supply and installation of a 40-tonne container handling crane at the Greenwich terminal of Victoria Deep Water Terminal. The container crane, due to be in service next spring, is of the wide span type for ship loading and unloading and for the mar-shalling of containers within its 48-metre rail span.

The modernisation of yeast production at the Glenochil factory of The Distillers Company at Menstric. Cleckmannanshire, involves a £500,000 contract for computer and microprocessor-based control systems, together with field equipment using electronic transmission, all to be supplied by FOXBORO to be supplied by FOXBORO YOXALL of Redhill, Surrey.



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Nat Gas. 455 4512 Comsumer Power 1814 1814 Comt Air Lines. 814 814 Comt Greup. 2814 277 Comt Greup. 2814 277 Comt Greup. 3056 3012 Conti Comp. 1412 1412 Control Data. 70 73 | Harris Corp. | 421s | | Harsco. | 351s | | Hacia Mining. | 441s | | Heinz (HJ). | 46 | | Heiler Intl. | 21 | | Harcules. | 187s | | Harchey. | 255s | | Haublein. | 31 | | Hewlett Pkd. | 687s | | Hitton Hotels. | 475s | | Hitton Hotels. | 681s | 154 | 154 | 168 | 674 | 541 | 51 | 501 | 501 | 521 | 31 | 52 | 32 | 534 | 55 | 534 | 55 | 531 | 351 | 275 | 28 | 174 | 177 | 351 | 352 | 371 | 301 | 301 | 301 | 304 | 301 | 304 | 301 | 305 | 55 | 6 | 61 | 115 | 42 | 15 | 64 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 | 15 | 66 Sonesta Int. Sony, Southeast Bankg Sth. Cal. Edison Southern Co. Sthn Nat. Res. Sthn N. Eng. Tel. Sthn Pacific. Sth Pacific. Southland SW Bencshares. Sperry Corp. Spring Mills. Square D. Cooper inds. 4712 4812 Coors Adolph 2454 2458 Copperureld. 20 2014 Corning Glass ... 70 6918 Corning Glass ... 70 6918 Corning Glass ... 2512 2512 Cox Brossloast 9 5514 5414 Hobart Corp..... Holiday Inns..... Holly Sugar 185g 30% 1856 18 4916 1856 381g 29 723g St'd Brds Paint ... 29% St'd Oil C'ilfornia; 72 Std Oil Indiana... 59% Std Oil Ohio...... 50 31.46 Amfac | Dentsply Intl. | 201c | 201d | Detroit Edison | 127g | 127g | 127g | Diamond Intl. | 563d | 361c | Diamond Shamk | 511c | 31d | 97d | 97d | 97d | 97d | 171c | 171c | 171c | 171c | 171c | 171c | 171d | 17 | Dillingham | 17½ | 17½ | 17½ | 17½ | 17½ | 17½ | 17½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ | 47½ Tandy..... Teledyne..... Tektronix..... nt first int. Flavours...... 2278 | 2234 int. Harvester..... 3258 | 3214 int. Income Propi 1012 | 1012 int. Multifoods.... 1912 | 1958 int. Mutitroods. 1912 int. Paper. 40% int. Rectifier. 247s Int. Tel & Tel. 507s lowa Bear. 443s Irving Bank. 5934 James (FS). 275s Jeffn-Pilot. 2814 1. 11. 14. Eastern Airlines. 9 Eastern Gas & F. 2412 Eastman Kodak. 6318 Eaton 33 Echlin Mfg 14-8 Pac. Tei & Tei. ... 153₉ 153₄ Palm Beach. ... 213₈ 211₈ Pan Am Air ... 51₄ 53₉ Pan Hand. Pipe. 34 537₉ Parker Drilling 523₄ 52 Parker Hannii n. 28 28 Parkor Hannii n. 28 28 Pennay JC. ... 251₄ 251₈ Pennay JC. ... 351₄ 251₈ Pennay JC. ... 361₄ 251₈ Pennay JC. ... 30 291₄ Pennzoii. ... 491₄ 50 Paople 8 Gas ... 541₄ 541₂ Tidewater 544 Tiger Intl 2678 Time Inc 6012 Times Mirror 45 Timken 60 Bancal Triat Тіррегагу..... Tonka.....Total Pot Papsico 25-14 Persico 25-14 Persico 25-14 Pertrie Stores 55-12 Petrie Stores 40-14 Prizer 40-18 Philag Elect 15-14 Phillip Morris 4266 Phillip Morris 4266 Phillip Morris 4266 Phillip Morris 4266 Phillip Morris 4269 Phillip Phillip Morris 4269 Phillip Phillip Morris 4269 Phillip Phillip Morris 4269 Phillip Phillip Morris 4269 Phillip Phillip Morris 4269 Phillip rana.... 2512 67 331₂ 4078 Transamerica.... Trans Union. Enserch Envirotech Esmark Ethyl Evans Prods Ex Cell 0 4114 4054 1312 1315 5738 5758 5134 3214 2458 3812 7014 71 2514 2558 14 1318 538 612 47 652 Transway Trans World Travelers...... 4412 4378 Tri Continental..., 2212 | 2212 3946 1356 4276 4376 4376 4734 3618 2616 Big Three inds... 61½ Black & Decker... 21¾ Block HR...... 30% Blue Bell..... 31 Triton Oil Gas..... 25 20th Cent. Fox... 38 Tyler...... 15!8 Exxon FMC Faberge Fedders UAL. UMC Inds. .. UNC Resources... Unitever NV...... Unitever NV...... Union Camp...... Union Carbide.... UnionCommerce 61₂ Lanler Bas. Prod. 35 3512 Lear Siegler...... 29 2878 | Lasseway Trans. | 275g | Lenox | 35 | Lenox | 377g | Levitz Furntr | 281g | Libby Owens Ed. | 25 | Liggett Group | 685g | Lilly (Eli). | 491g | Lincohn Nat | 421g | Litton Inds | 667g | Lookheed | 33 | Loows | 845g | Longs Drug Strs | 305g | Louisiana Land | 505g | Louisiana Pac | 27 | Lowanstein | 103g | Lubrizol | 781g | Lubrizol | 781g | Lucky Strs | 1531g | MCA | 531g | 1531g | 153 Procter Gamble - 77 | 76% Pub. Serv, E & G. 18% | 18% Leaseway Trans. 2758 Union Oil Cal..... Union Pacific..... Pub. S. Indiana... 205a Pullman.............................. 48 Uniroyal Utd Brands. Utd Brands Utd Energy Rea. US Fidelity G. US Fliter. US Gypsum US Home. US Inds. US Shoe. US Steel. US Steel. US Tobacco. US Trust Utd Technolgs Utd Telecomms. Upjohn VF. A STATE | 1st Chicago | 155a | 151e | | 1st Chicago | 46 | 455a | | 1st Chity Bank Tex | 46 | 455a | | 1st Mississippi | 52a | 51ag | | 1st Mississippi | 52a | 51ag | | 1st Mat Boston | 341g | 341g | | 1st Mat Boston | 341g | 341g | | 1st Mat Boston | 341g | 341g | | 1st Mat Boston | 341g | 341g | | 1st Mat Boston | 341g | 341g | | 1st Mat Boston | 341g | 341g | | 1st Mississippi | 341g | | 1st Mississip | Quanex | 294 | 29- | 29- | 29- | 29- | 29- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 27- | 2 Bucyrus-Erie 237 2176 Burlington Ind. 284 2212 Burlington Nrhe. 4058 2018 Burroughs 36576 2726 CBI Inds 4978 4818 CBS 5124 7018 CBS 7818 7818 CPC Intil Red 7818 7818 Campbell Red 7818 7818 Campbell Red L. Campbell Soup-Campbell Tagg... Varian Assocs. 421₉ 421₈ 53 54 275₈ 28 373₄ Can Pacific Carliale Corp Carnation Carp Tech GK Technologies 455e Gannett 5314 6212 Gaico 5578 3818 2278 2278 Gen Olneme 2278 2278 Gen Dynamics 6854 6812 Gen Exploration 255 5352 Gen Exploration 255 5352 Gen Mills 28 273 Gen Mills 28 273 Gen Mills 518 518 Gen Portland 2134 Gen Signal 4478 4478 Gen Telep Elec 20 2012 Genesco 478 478 478 Gen Tire 20 20 2012 Genesco 478 478 478 Warner Comms... Warner-Lambt ... Washing ton Post; Waste Mangt.... Wèis Mkts, Wells Fargo..... W. Point Peppi... Western Airlines. Western Airlines. Western Nth.Ame. Westinghouse ... Westvaco Weyerhaeuser... 1214 3831 1814 8914 2712 1554 2612 2556 3514 67 40 3014 6014 934 82

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Section of the selection of the section of the sect			· ·			
Indices						
Sept Sept Sept Sept Sept Sept Sept	nce Cmpilitin		Sept. Sept.	Sept. Sept.	198 High	BO Low
AVA-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-	151,70 41,22	AUSTRALIA Sydney All Ord. (1956/59) Metal & Minris. (1956/59)	986, 14 976, 4	964,95 859,13	988,14 (15/9)	785,00 (2/1) 4581,28 (28/6)
H me B'nds 69.15 69.52 63.48 65.51 69.24 69.50 76.61 63.87 (25.6) (25.6) (25.6) (25.6) (25.6) (25.6) (25.6) (25.6)	11/75) (2/7/52) 28,15 · 12,25	AUSTRIA Credit Aktien (2/1/62)	-	5 67.10 67.26	ļ———	65.58 (19/8)
Utilities 112-16-112-42-112-56-113-78-111-72-112-78 115-88 95-54 16-68/7) (27/5) (27/5)	8/9/80) (8/7/32) 65,62 10,52 J/4/89) (28/4/42	BELGIUM Belgian SE (31/12/68)	81,55 \$1,5	9 91.40 91.87	105,75 (11/2)	90,14 (61/6)
TradingVol 47,188 44,775 51,458 44,466 42,856 38,150 —	- -	DENMARK Copenhagen SE (1/1/78)	89.01 89.0	1 88,98 86,83	89,01 (12/9)	74.78 (6/6)
Ind. div. yield 7 Sept. 5 Aug. 29 Aug. 22 Year	ago (approx	FRANCE CAC General (29/12/61) Ind Tendence (28/12/79)	113.4 112.5 119.4 118.2	112.2 111.5 118.8 117.2	117,8 (22/2) 118,4 (15/8)	97.1 (5/1) 95.8 (6/1)
STANDARD AND POORS	6.67	GERMANY FAZ-Aktien (31/12/58) Commerzbank (Dec. 1953	228.59 229.6 716.4 718.2		268,88 (25/2) 749.2 (25/2)	212.76 (28/6) 667.0 (27/5)
Sept. Sept. Sept. Sept. Sept. Sept. 12 11 10 9 8 5 High Low H	High Low	HOLLAND ANP-CBS General (1976) ANP-CBS Indust, (1978)	85.1 84.9 65.8 65.5	84.6 84.6 68.4 68.8	88,0 (25/7) 68,2 (11/1)	74.0 (27/8) 58.2 (28/8)
(4/8) (27/7) (4/8) (27/7) (4/8) (27/7) (4/8) (27/7) (4/8) (27/7) (4/8) (27/7) (4/8) (27/7) (4/8) (27/7) (4/8) (27/7) (4/8) (27/7) (4/8) (27/7) (4/8) (27/7) (4/8) (27/7) (4/8) (27/7) (4/8) (27/7) (4/8) (27/7) (4/8) (27/7) (4/8) (27/7) (4/8)	4/9/80: (30/8/32 27.70 4.40 4/9/80: (1 5/89:	HONG KONG Hang Seng Bank (\$1/7/64)	1230.75 1220,5	5 1212,37 1211.15	1289,85 (1/8)	788,8 (19/8)
Ind. div. yield \$ 4.69 4.64 4.73	ago (approx)	ITALY Banca Comm. Ital (1972)	131.71 181.5	129.89 129.26	151.71 (16/9)	85.11 (2/1)
ING. P/E MAILO	12,92	JAPAN Dow Average (16/6/45) Tokyo New SE (4/1/68/) 1.8978.89'6956.21 1. 482.30 481.07		6478_98 (27/5) 448_51 (10/5)
N.Y.S.E. ALL COMMON Rises 8. Sept. 12 Sep.	nd Falls pt. 11 Sept. 10	NORWAY Oslo SE (1/1/72)	122,87 121,2	129.50, 126.58	144,70 (14/2)	110,12 (28/3)
12 11 10 9 High Low Rises	871 1,894 987 1,035 517 513	SINGAPORE Straits Times (1998)	624.28 614.8	907,61 801.12	624,26 (15:8)	422.76 (5/1)
72.65 72.64 72.12 71.64 75.29 65.30 Unchanged 397 3 (4/8) (27/8) New Highs	567 346 158 157 0 4	SOUTH AFRICA Gold (1968) Industrial (1858)	(m) _	983.6 946,6 626,6 625.8	951.0 (9/8)	948,5 (2/7) 488,0 (2/1)
MONTREAL Sept. Sept. Sept. Sept. 1980	Low	SPAIN Madrid SE (28/12/79)	(c) 109.7	109.93 170,21	110,21*(10/8)	93,76 (18/6)
Combined 570.85 570.28 567.49 561.98 576.90 (29/2) \$	325,21 (27/8) 296,96 (27/5)	SWEDEN Jacobson & P. (1/1/58)	\$51,26; \$55.6	558.67 554.48	386.98 (8/2)	884,72 (17/1)
TORONTO Composite 2557.8 2557.7 2521.5 2288.8 2537.8 (12/5) 1	1702.5 (27/8)	SWITZERLAND Swiss BankCpn.(\$1/12.58)	811.7 311.8	511.7 311.2	317.5 (11/2)	275,0 (28 <i>1</i> 5)
Change Change Stocks Closing on Stocks C	Change Closing on grice day	WORLD Capital Intl. (1/1/70)	— ls3.5	162.9 152.2	153.5 (12/9)	126,5 (27 <i>(</i> 6)
Sony	35 ¹ 2 + 2 ² 2 17 ¹ 3 - 1 ² 3 17 ² 4 - 1 ² 3 55 ² 5 - 1 ² 5	8ane values of all i and Phore—10; and Toro bonds. ‡ 400 industrials 20 Transports. c Close	anto—1,000; ≥. § 400 inc	the last named Justrials plus	i based on 1976	5. † Excluding

ting .

Dow off 5.9 at mid-session

WORRIES ABOUT inflation and interest rates caused Wall Street to retreat in fairly active trading

yesterday morning. The Dow Jones Industrial Average receded 5.89 to 930.63 at 1 pm, while the NYSE All Common Index Inst 42 cents to \$72.23 and declining, issues outpased advances by a two-to-one ratio. Trading volume slowed to 28.82m shares from last Friday's substantial 1 pm figure of

Expectations of oil price increases from the OPEC meeting in Vienna and an apparently reviving U.S. heightened inflation economy fears. heightened innation analysts said. Commerce depart-ment economist Courtenay Slater on Friday said the

sources, such as coal and gasohol,

mining machinery producer, ; to

to \$64, but Southern Pacific eased to \$37%. The two companies have ended merger talks.

7412 : 7619 1733 | 1743;

and Matsushita Electric, a major Sony competitor, rose ; to \$364. General Motors gained & to \$561. The company reported early-September car sales down 13.4 per cent, but Ford Motor, which said sales fell 36.3 per cent in the period, lost { to \$297.

THE AMERICAN SE Market

Closing prices for North America were not available for this edition.

411₄ 441₂ 24 35 267₈

Oil receded 21 to \$35; It plans to offer 1.38m shares. However,

recession is over.

A resurgence of inflation could force the Federal Reserve to in view of money supply growth.

Precious Metal and Multinational Oil issues were weak, but Domestic Oils and companies involved in alternative energy

were stronger.

Among the actives, volume leader Texaco fell 1; to \$35; but Quaker State Oil Refining gained

S231. Santa Fe Industries gained 3}

Active Sony hardened ! to \$14!

Inter-City Gas 1 to 821?. Wainoco Petro-Lewis advanced 1; to \$341.

to \$18%, Archer-Daniels-Mid-land, a gasohol manufacturer, 3 to \$36 and Bucyrus-Erie, a coal

Value Index relinquished 2.83 to 338.52 at 1 pm on volume of 3.15m shares (4.67m). ing interests, climbed 50 cents advanced 20 cents to \$84.66. The

Canada

Markets in Canada also adopted an easier tendency early yesterday, although business remained active. The Toronto Composite index declined 16.7 to 2,321.1 at mid-day, while Golds fell 306.1 to 5,952.2. Oil and Gas 51.6 to 4,727.9 and Metals and Minerals 35.0 to 2,419.4. but Utilities gained 1.36 to 272.53 and Banks 0.48 to 384.45.

Gold issues followed Bullion prices sharply lower. Dome Mines plunged 81 to CS1431, Campbell Red Lake CS3 to CS87, Camillo Mines CS2 to CS45 and Kerr Addison 14 to CS21. Among other Minings, Cominco fell 14 to CS713, Falcon-bridge Nickel CS1 to CS139 and

Noranda i to C\$30. Australia

Continuing demand for gold situations and some other leading Minings and news of a pro-mising oil strike in the Cooper Basin pushed the Sydney stock market to a record level despite slack overseas interest and easordinaries index moved ahead 10.70 to an all-time high of 786.14, while the Metals and Minerals sub-group index advanced 121.50 to 6,497.01.

Cooper Basin explorers Santos and Vangas rose 90 cents to A\$13.90 and 80 cents to A\$6.80 respectively following an announcement that the Dullangari No. 8 well flowed oil at a rate of over 2,000 barrels a day.
Elsewhere in Oils, Woodside
gained 12 cents to A\$3.20, Weeks Petroleum 30 cents to A\$8.50 and Hartogen 10 cents to A\$6.30, while BHP, which has oil drill-

Sydney

Index

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500 H D J F M A M J J A S

report from the Bamboo Creek

gold find in Western Australia pushed Kitchener 90 cents

the Straits Times Industrial Index 9.44 more to a record

Industrials, Properties and Banks mainly improved, although

Keppel Shipyard is to offer 30m

shares to the public at SS3.30 a

share, thereby offering a price-earnings ratio below that of Sembawang Shipyard, did not un-

News that Government-owned

Plantations were mixed.

1979 1980

800

800

600

624.26

Oil and Mining shares were mostly weaker.

Volume leader Goldfield slipped to the stock, which wang down, the difference in P-E finished 45 cents stronger at a ratios is likely to lead keppel up, to \$3\frac{1}{2}\$. Atlas Mining "B" \frac{1}{2}\$ to \$5\frac{1}{2}\$. House on the stock which wang down, the difference in P-E finished 45 cents stronger at a ratios is likely to lead keppel up, to \$5\frac{1}{2}\$. Traders expecting a major Hong Korg

Hong Kong

With the market taking as generally builish the half-yearly review on the local economy by Financial Secretary Philin Haddon-Cave, shares generally made fresh headway yesterday in further heavy dealings, but late profit-taking eroded some of the gains. The Hang Seng index added 10.38 at 1,230.73.

Germany

Bourse prices were inclined to drift lower in an exceptionally quiet market made heistant by rising domestic interest rates The Commerzbank index slipped 1.8 to 716.4.

Chemicals, Banks, Stores and Machine Manufacturers showed the clearest downward trend, although declines among the majors rarely exceeded DM 2.

Significant exceptions included Significant exceptions included Degussa, off DM 4, and KMD, down DM 2.50.

Deutsche Bank shed DM 1.30, but BMW improved DM 1.50 and Steels concerns Thyssen and Krupp put on DM 1 and DM 2 respectively.

Tokyo

gold find in Western Australia pushed Kitchener 90 cents higher to A\$5.90, while major shareholder, Mogul, put on A-1.00 to A\$6.20 and project partner, CRA, added 20 cents to A\$6.50.

Elsewhere in Minings, MIM jumped 30 cents to A\$6.00 and Western Mining 28 cents to A\$6.1S, while Soal issue Utah advanced 18 cents to A\$5.60, but Hamersely receded 17 cents to Hamersely receded 17 cents to A\$4.23 and Bougainville 7 cents The market was closed yesterday for a public holiday, Respect of the Aged day.

In Saturday's half-day session Stock prices moved broadly higher in active trading, lifting the Straits Times Industrial the Nikkei-Dow Jones Average climbing 17.58 to an all-time peak of 7.017.62. The Tokyo SE index added 2.41 at 485.75, while turnover amounted to 280m shares, against last Friday's fullsession total of 440m.

Johannesburg

Gold shares tended easier in quiet dealings with the Bullion price. Heavyweights Randfontein and Marties lost 150 and 200 cents while BHP, which has oil drillng interests, climbed 50 cents
o AS15.85.

Peko-Wallsend's Tennant Creek

settle Sembawgang, which respectively at R103.00 and advanced 20 cents to SS4.66. The R104.00. The General Mining new listing will bring more group of gold companies also interest in the sector, a broker declined despite higher dividends.

.	for this edition.	Peko-Wallsend's T	ennant Creek	Interes		He Sector, a D	OKCI	466 1111	ed despite ingner to	
	CANADA	BELGIUM (continued)	HOLLAND	•		AUSTRALIA			JAPAN (continued)	
	Sept. Sept	Price + or Sept, 15 Frs. —	Sept. 15	Price	+ or	Sept. 15	Price	+ or	Sept. 15 Yes	oc -f-or n —
	Stock 12 11	Petrofina 4,85660		Fis.		ANZ Group	4.72		Kubota 57	
	Abitibi 237g 237z Agnico Eagle 213g 213g	Royale Beige 6.620	ACF Holding	69.3	+0.4 0.9	Acrow Aust	2.40	∓0.05	Kyolo Cemmic 3.73	0
	Alcan Alumn 41% 41	Soc Gen Pelge 1,310 -42 Sofina 3,400	AKZO	.(21.6) . 323.5	0.1 +2.5	Ampol Pet Assoc. Pulp Pap.	. 1.65	÷0,02 0,03	Lion 38 Maeda Cons 58	·
	Asbestos 5014 3014 Bk Montreal 501a 5014	Soc Gen Pelge 1,310 —42 Sofina 3,400 Solvay 2,545 Traction Elect 2,480 UCB 1,208 —66	AMEV	. 89.5 67.1		Aust Cons Ind	0.30 2.12		Makubeni 1.05 Marubeni 40 Marudai 60	b :
	Bk Nova Scotia 3214 . 3218 Basic Resources. 1518 1518	UCB	Bredero Cert Bos Kalis	. 193 94.4	-0.1	Aust Guarant, Aust Nat Inds	1.48 2.90	D.02 0.10	Maruj 66	8
	Rell Conoda 19ts 19ts	Vieille Mont 1,235 +96	Buehrmann-Tet	. 65.2 25.7	~-0.4 +0.5	Liust Pener	i 2.10 i	-0,82 -0,82	IM'ta Elec Works. 👓	<u>0</u> –6
' '	Bow Valley 235g 241g	DENMARK	Elsevier Ennia	. 130.0	+2 4,2	Bank NSW Blue Metal Bond Hidgs Boral	2.10 2.58	+0,14	M'bishi Corp 70	G
	Brascan A 3212 3254 Brinco	1 1	Euro Com Tst Gist. Brocades		+1.9	I KI WIIA CODDAF	1 Z. HO 1	-0.05 -0.07	M'bishi RI Est 54	5
	B.C. Forest 15½ 1558 Cadillac Fairy 28 2779	Sept. 15 Price + or Kroner -	Heineken Hoogovens	55,5	+1.5	Brambles Inds Bridge Oil	1 4. U	-0.05	MHI 18 Mitsu Co 40	3 : -4
	Camflo Mines 47 4778 Can Cement 1318 13 Can NW Lands. 2712 2718	Andelsbanken 108.75 +0.50 Baltica Skand 399 —1	Hunter Douglas. Int-Mueller	. 13.2	+0.4	BHPBrunswick Oil	15,85 0,31	+0,5B 	Mitsui RI Est 54 Mitsukoshi 42	5 - 3
٠-		l Rurm A Wain . J-25	KLM: Nzarden	63.5	+0.1	CRA	1 7.40 j	+0.20. +0.04	NGK insulators 48 Nippon Denso 1,07	·
1	Can Packers 525g 5214 Can Perm Mtg 20 20 Can Trusten 2712 2712	Cop Handelsbnk, 108.50 +0.25 D Sukkerfab 283.25 +1.25 Danske Bank 108 +0.25	Nat Ned Cert Ned Cred Bank	. 115.1 58	+0.1	Cariton & Utd Castlemaine Tys	, 3.25	0.01	Nippon Gakkı 71 Nippon Meat 46	5 -2
	Can Imp Bank 2778 2754	East Asiatic, 130,25 +2,50 Finansbanken 151,75 +0,25	Ned Mid Bank Nedlloyd	98.5	+0.7 -1.5	Cluff Oil (Aust.). Do. Opts	0.18		Nippon Oil 1,40 Nippon Shinpan 67 Nippon Steel 13	6
	Cdn Inds	Forenede Brygg. 270 +4	Oce Grinten	7.9		Cockburn Cemt. Coles (G.J.)	: 2,32	+0.04	Nippon Sulsan 20 NTV 4.52	3
	Cdn Tire	GNT Hidg 153	Ommeren (Van). Pakhoed,		-0.8 +0.4	Cons Gold	9.00	0.08	Nissan Motor bb	1 -1
	Chieftain 24 2434	Nord Kabel 160 Novo Ind 502.5 + 10.5 Papirfabrikker 112.50 + 0.75	Phillips Rijn-Schelde	17	-0.1 +0.7	Containers	3.05		Nisshin Steel 16	Q
	Cons Rathet A 177s 177s	Privatbanken 112.50 +0.10 Provinsbanken 108.25 +0.25	Robeco	.: 185.5	+2.5	Crusader Oil	0.89	+ 0,05	Nomura	<u> </u>
	Costain 10% 10%	Smidth (FL) 245 +1	Rolinco	. 178.3 . 114.2	0.1	Elder Smith GM . Endeavour Res	0.56	+0,06	Orient 1.05 Pioneer 2,38	Ó
	Daon Devel 10 10/8	Superfos130.25 +0.25	Royal Dutch Slavenburg's	. 169,4 . 2084	-5.2 -2	Gen Prop Trust Hamersley	4,23	-0.02 - 0,17	Renown 55 Ricoh 56	Ď.,
	Dome Mines 1511: 15214 Dome Petroleum 8612 : 873	FRANCE	Tokyo Pac Hg Unilever Viking Res	_' 165.5		Hartogen Energy Hooker	; 1,12	-0.10 -0.04	Sanyo Elec 59	5 - 6 5
	Dom Bridge' 19 ' 194	Sept. 15 Price + or	VMF-Stork	. 34	-2,8	ICI Aust Jennings Jimberiana Min.	1,16	-0.02 -0.16	Sekisul Prefab 74 Sharp 62	0 3 +15
	Dom Foundries A 39 3834	Frs. —	VNU Volker-Stevin	. 43.5		Jones (D) Kiz Ora Gold	.; 1.30	+ 0.02	Shiseido 23 Sony 2.90	o
	Domtar	Emprunt 4:% 1976 2,631; -14 Emprunt 7- 1973, 8.798 -42	West Utr Bank	840		Lennard Oil	1.65	- Q.03	Stanley 25	5
'	Genstar 4034 41 Gt-West Life 175 175	CNE 19 3.699 -1	ITALY			Meekatharra Ms Meridian Oil	j 6.70	- 0.18 + 0.02	Taihei Dengyo 81 Taisei Coro 23	1 -5
	Guif Canada, 2536 2544 Guifstream Res., 978: 1018	Air Liquide 4665 Aquitaine 1,1808		[_	Metramar Min Monarch Pet	∤ 0.50	- Q.03	Taisho Pharm. 55 Takeda 60	9 +10
	Hawk Sid. Can 1978 20 Hollinger Ags. A 58 ; 59	Au Printemps 123.80 +0.80	Sept. 15	Price Lire	+ or	Myer Emp Nat Bank	1.53	- 0.01	TDK 2.92 Teljin 13	4 -1
1	Hugson Bay Mng.; 3312 34	BIC 590 -3 Bang'Rothschild 158 Bouygues 731	ANICAssigur Gen	9.75	+0.75	News	2.90	·	Telkoku Oil 1,00 TBS 53	5 (,,,,
	Hudson's Bay 2614 2534 do. Oil & Gas 3418 3478	Bouygues	i Banca Com'le	. 31,110	+8,110	North Bkn Hill Oakbridge	3.95 3.95	-0.05 +0.05	Tokio Marine 65 Tokyo Elect Pwr. 93	3 :
i	Huaky Oil	Club Mediter 433 +2.60	Bastogi Fin Centrale Credito Varesino	15,080	+85	Otter Expl	7.30	io. io	Tokyo Gas	3
	Imp Oil A 4078 4034	CGE	Fiat,	. 2,049	+15	Pioneer Conc.	2.10	+0.01 -0.05	Toshiba	3
	Inco	Cofirmed 152 +1	invest	2,984 27,810	+64 510		: 2,90	+0.08	Toyo Seikan 40 Toyota Motor 77	2
	Kalear Res ! 6310 ! 5334	CCF	Montedison	. 161.75	+1.75	{ Sleigh (H.C.)	1,45	+0.86 -0.05	Victor	0 1
	Mac. Bigedal 344 344	LCFP 244.20 -0.50	Pirelli Go	220 2,621 968	-61	Southland M'n'g Sparges Expl	0.88	+0.05	Yamaha Motor 66 Yamazaki 56	5 +15 5
'	Massey Ferg 75e 714 McIntyre Mines 88 8912	DNEL 38.50 +0.30 Dumez 900 +10 Ferodo 369 —4	Pirelli Spå, Snia Viscosa	910	-11 +17	Thos Natwide Tooth Utah Mining		-0.04 +0.18	Yasuda Fire 29 Yoku-awa Bage., 63	
	Meriand Explor 934 914 Mitel Corp 42 3919 Mogre Corp 4112 4018	Gen. Occidental 345	do. do. Priv Toro Assic do Pref	17.550	+9 +140	Valiant Consdt	l 1.25xrl	+0.05	SINGAPORE	
	Moore Corp	Lafarge		41-1,0-10-1		Waltons Western Mining Woodside Petrol.	3.20	+0.12	_ 1 .	
	Noranda Minas 314 32	Gen. Occidental . 345	NORWAY			Woolworths Wormald Intl	1.75 ;	-0.05 +0.05	Sept 15 Pric	e + or
	Nthn. Telecom 4012 ' 41 Oakwood Pet 1814 1858	Matra 9,390 +90 Michelin B 900 -10 Moet-Hennessy 554 +3	Sept. 15	Price	+ or	HONG KONG	-		Boustead Bhd 4.7	
	Omni	Moulinex 69.80 —0.20 Paribas — 261.50 —0.50		Kroner		Sept. 15	, Price	+ or	Cold Storage 3.8 OBS	0 - 0.05
	Pan Can Petrol 8834 8844 Patino 3434 3434 Placer Dev	Pechiney 110.20 +1.50	Bergens Bank Borregaard	.; 68 :) <u></u>	H.K. 8	<u>-</u>	Haw Par	1 - C.07
-	Placer Dev	Pernod Ricard 545.0	Greditbank Elkem Kosmos	. 74	+2	Cheung Kong Cosmo Prop	2.35		Malay Banking 15. Malay Brew 5.5	5 - 3.03
_		Poclain	Norsk Hydro Storebrend	. 570	+2,5	Cross Harbour Eastn Asia Nav Hang Seng Bank	6,05		OCBC 12. Pan Sject 2.4	8 -0.03
	Ranger Oil	Redoute				HK Electric HK Kowloon Wh.	! 6.55	+0.10	Sime Darby 5.6 Straits Trdg 7.3 UOB +4	o0.05
-	Royal Bank 54 54 Royal Trustco A., 1858 1834	St-Gobain	SWEDEN			HK LandB HK Shenghai Bk.	17.50 17.50	+0.20 +0.20		-0.04
	Sceptre Res 1812 1516 Saegram 7034 6914 Snell can Oil 3118 31	Skis Rossignol 875 —2 Suez 317	Sept. 15	Price	+ or	KK Telephone Hutchison Wpa	12.80	+0.10		
-	Snell can Oil 3118 31 Steel of Can A 3554 3668	Strez 317 Telemech Elect. 1,010 —6 Thomson Brandt 250,5 —4,80		Kronor	<u> </u>	Jardine Math New World Dev	5.70	+0.05	Sept. 15 Price	
-1	Teck B	GERMANY	AGA	. 109	-1 +1	O'seas Trust Bk.	15.80	-0.20	Abercom 5,	
1	Thomson News A 2014 20 Toronto Dom Bk. 3018 8034	Price + or	Atlas Copco	. 65		Swire Pac A Wheel'k Mard A Wheel'k Mariti'e	5,30	+0.19	AE & Cl 9.	50 —0.20 75 —0.55
-	Transcan Pipe 231g 227g Trans Moto Oil A. 144g 144g	sept. 15 Dm. — AEG-Telef 85.7 —0.4	Cellulosa Electrolux	. 108	-0.5				Anglo Am. Gold 15 Barlow Rand 11.	5 — 3,50
1	Utd Siscoe Mines, 2012 21 Walker Hrm C.H. 305g 305g	Allianz Vers 446 +1	Ericsson	. 80,5	+0.5		!		Buffels 63.1	00 +0.23 30, +0.45
-	Warrior Res 9.75 10.00	BAYER	Fagersta	. 74	-1	Sept. 13	Price Yen	+or	Currie Finance 2. De Boers 13.	55
	Weston (Geo) 2514 ! 2658	Bayer-Verein 305,5 -1.5 BHF-Bank 201	Mo och Dom Saab-Scania	. j 96 i		Ajinomoto		+8	East Drie 37,	50. —1,93
-	-	BMW	Sandvik	181 245	+1 +1	Amada Asahi Glass Bridgestone	438 525	+9 -5	Gold Fields SA 108 Highweld Steel 5.1	000.20
Į		Commerzbank 160.7 -1.1	Skan Enskilda	68.5		Canon	635 399	13 +4	Huletts 6.: Kloof 49,	001 1,53
-	AUSTRIA	Daimier Benz 366 -0.7 Degussa 255.5 -4.0	St.Kopparberg Sven Handelsbn	. 204 . 69	1 	Daiel	712 402	+3	OK Bazaers 17,	60 +0.05 60 45' +0.05
-	Sept. 15 Price + or	D'sche Babcock. 199,5 -0,6	Vandstik Uddeholm	. 53	-0.5 1 +0.5	Dai Nippon Ptg Daiwa House	557 405	-8	Protea Hidgs 3. Rembrant 7. Rennies 3.	90 50i — 0.05
_	% ~	Deutsche Bank 283.2 -1.8 DU Schuit 166 -1	Volvo	., 55	-5.5	Daiwa Salko Ebara	374	+12	Rust Plat 3,	65: 75 ₁
7	Creditanstalt 336	Dresdner Bank 183.2 -0.8	SWITZERLANI			Elsai Fuji Bank Fuji Filih	419 718	+1		90 ÷ 0.05
:	Semperit 103 –2	GHH	24411 SEKTANA	ر ا ا	+or	Fujisawa	960		Sorec	÷0'
-	Steyr Daimler 239	Hoechst 112.9 -0.1	Sept 15	Price Fre-	_	Fujisawa Fujitsu Fanuc Green Cross	2,000	********	Unisec 2,	
_		Hoten 25,4 —0,5 Hojzmann (P) 390	Alusuisse	1,275		Hasegawa Helwa Ri East	587	********	Financial Rand U	
j		Horton	Brown Boveri	1,695	+5	Hitachi Hitachi Koki	616	+7	(Discount of 3	ŦP.)
- [Karstadt	de (Part.Certs). Credit Suisse	. 2,455	-20	House Food	523 813	~1	BRAZIL	
1	BELGIUM/LUXEMBOURG	KHD	Elektrowatt	2,575	+5	Hoya Itoh (C)	828 420		Sept. 15 Pric Crus	
-	Price + or	Unde	Hoff-RochePtCts Hoff-Roche 1/10.	71,750	OEA.	Hallom .	AZE I			5 -0,07
	Sept. 15 Frs	Lufthansa 72	Interfood Jolmoli	1,490	25	Ito-Yokado	510 2,370	i 1	Acesita	5 —0,65 1 —0,91
ŀ	Define Mine to bear 10, 1 Oct. months		Landis & Gyr Nostle,	. 1.505	5	Nauma	210	~5	Belgo, Min	0,05
·	Ciment CBR 920 -2	Metaligesself 29m ;	Oer-Buhrle	2,880		Kac Soap Kashiyama	436 525	+3 1	Petrobras PP 4,07 Pireili OP 1.51 Souza Gruz 5,10	7 —0.05
.1	Cockerill	Muench Ruck 630	Pirelli	3.850	25	Kikkoman	383 416	~I [Unip PE 7.20) (
	Electrobel 5,610	Rhein West Elect 188,5'	Sandoz (Pt Cts) Schindler(Pt Cts) Swipes in		 +2	Komatsu	1,060 573		Vale Ric Dace 11.50	0 : -0,85
١,	GBL (Brux 1) 1,130 —60		Swissair,	375	—2 j	Komatsu Fift Konishiroku	680		T'aver: Cr.363.7m. Voi Source: Rio de Janei	. 97.5m. ro SE,
11	Hoboken 2,540;1	Verte 163	Swiss Reinsce Swiss Volkebk Union Bank	1.850:		NOTES-Price	Se 06	this o	ago are as quoted	on the Dealless
Н	Intercom	Verein-West 276	Winterthur Zurich ins	2.420	30	suspended, ad l xx Ex all,	a divid	end, z	e Ex scrip issue, xr S	ix rights.
1	Pan Holding	Volkswagen 168.9 -0.1								

\$235m takeover by General Electric

BY PAUL BETTS IN NEW YORK

the leading U.S. electrical advanced technology in inte-equipment and electronics grated circuit design, process step in its current efforts to semiconductor field.

The group is to buy for about 8235m Intersil, a Californian manufacturer of integrated circuits with sales of \$140m last

GE and Intersil announced at the week-end that they had signed an agreement in principle whereby the Californian semiconductor manufacturer would become a wholly-owned subsidiary of GE which will pay \$35 for each of Intersil's outstanding 6.7m shares.

Rockwell may

By Ian Hargreaves in New York

Pittsburgh-based manufacturer

mander aircraft per month.

of the U.S. market for turbo-

prop business aircraft and ?8

ner cent of the medium size

bracket, where it competes

most strongly Rockwell said

yesterday that it intended to

step up production to 13 units :

per month early in 1981. Mr. Bastian Hello, head of Rockwell's aviation interests.

elso said that the company

would only contemplate selling

tein current product develop-

the Commander range.

Space Shuttle programme.

Technologies

By Our Financial Staff

conditioner systems.

suit terminated

THE JUSTICE DEPARTMENT

has filed a proposed consent decree to end its anti-trust

suit against United Tech-

require United, for a reasonable

patent, for the related know-how

sell business

iets division

GE said a key element in the

prop business jets.

group, has taken another major and manufacturing, thus reflecting further GE's intentions to expand its operations in the strengthen its presence in the microchip market.

Although GE pulled out of the integrated circuit market about ten years ago, the largest U.S. electrical equipment manufacturer is now attempting to correct what is generally regarded as having been a strategic error by investing heavily in this expanding electronics sector.

build up its in-house capabilities in this sector, not only to ensure itself with adequate sup- planned to build a new micro- overall sales.

company the specialised customdesigned equipment which the to manufacture.

GE's latest drive in the elec-

in new electronics manufactur- search ing and development facilities, processing. Last month, it announced a

Like other major U.S. con- \$31.3m expansion of its indus-glomerates, GE is seeking to trial electronics facilities at

GENERAL ELECTRIC (GE), proposed merger was Intersil's plies, but also to guarantee the electronics centre at North Park with an initial investment large volume producers in this of -\$55m which could grow to field are increasingly unwilling more than \$100m over the next five years.

Earlier, GE announced a \$50m tronics business has been expansion of its corporate eloquently reflected in a series research and development of other moves to expand its centre at Schenectady. New activities in this sector.

Excluding the latest deal with is to be devoted to building Intersil, GE in recent months a modern electronics laboratory has committed more than \$150m for electronic materials reand semi-conductor

The company has indicated that by the mid-1980s the trial electronics facilities at electronic content in GE's Chalottesville in Virginia, while diversified product line would the week before it said it affect about two-thirds of its

Ruling on Trustco offer near

THE ONTARIO Supreme Court been provided in the bid authorities. The department on a request by Royal Trustco. ROCKWELL International, the Canada's largest trust company. for an order halting a CS413m of motor and serospace compo-(US\$356m) bid by Campeau ments, is considering the sale of a division which makes turbo- Corporation, the real estate

development group. The company said yesterday that it was holding discussions Royal Trustee common and has been building up its bankwith "several U.S. companies" C\$29.93 for the preferred ing interests in Florida, which Campeau would buy a 5.4 per with several U.S. companies expires this Friday. Campeau is has a large Canadian popula-cent interest in Trustco from a Oklahoma-based division, which controlled by Mr. Robert tion. It owns seven Florida Toronto real estate holding company controlled by Campeau, an Ottawa construction bank subsidiaries.

| Campeau would buy a 5.4 per ca Oklahoma-based division, which is currently producing 11 Comtion and real estate millionaire who says he wants a minimum The division employs 900 and clains 12 per cent 54 per cent of Royal Trustco as

an investment. Royal Trustco was seeking an order restraining Campeau from going ahead on the grounds that bank

non-enforceable, and that accep- filed tance by more than 25 per cent approval. of Royal Trustco shareholders Florida banks owned would breach U.S. law and lead Trustco are state-chartered. to forced divesting of Trustco's bank subsideries in Florida.

Campeau, saying it was illegal for anyone to acquire control without insufficient information had approval of the state banking Trustco shareholders

yesterday was expected to rule circular, that it was illegal and said that Campeau had not an application for Five of the seven Meanwhile, the Ontario Securi-

ank subsideries in Florida. ties Commission yesterday For the past 10 years Trustco opened public hearings on an agreement under. which ank subsidiaries. pany, Unicorp Financial, in Late last week, the Florida exchange for Carreau con-Department of Banking issued vertible preferred. The issue is a cease-and-desist order against whether this agreement forms part of the Campeau takeover bid for Trustco, and if so. of a Florida state-chartered whether the same offer should obtaining not be extended to all other

Tosco pays \$140m for refinery

BY OUR FINANCIAL STAFF

its general aviation division if SUN COMPANY, the U.S. oil the buyer undertook to main group which acquired Seagram intended to enhance the its objective of reallocating the current product develop. Company's U.S. oil and gas group's ability to go-ahead with assets to give emphasis to The division is interests for \$2.3bn, has agreed about to unveil a third type in to sell a refinery to Tosco Corporation for \$140m.

herospace, of which the The 48,500 barrel per day general aviation division is a refinery, at Duncan. Oklahoma, part, accounted for 26 per cent; will boost the capacity of Tosco. the company's 1979 sales the second largest independent total of \$6.2bn. Among Rock, refiner in the U.S., by about well's aerospace activities is its 23 per cent to 261,500 barrels role us main contract for the per day.

Tosco said the refinery could process heavy, sour crudes and therefore fitted in well with its policy of concentrating on less plentiful desirable. more

The oil shale development plans.

Tosco has a 40 per cent interest in the Colony oil shale project in Colorado, Tosco said yesterday it expected to apply for a Federal loan guarantee to assist in the construction if its share of the project. Exxon. which holds the remaining 60 per cent of the project, has estimated its spending on the project at \$1bn.

Sun's U.S. refining capacity. It areas in the U.S.

acquisition is also said the sale was consistent with primary energy development and, in its refining operations, to giving emphasis to lubricants and petrochemicals while consolidating its fuels business.

Sun, which includes the Athabasca tar sands oil extraction project in its interests, bought reserves estimated at 120m barrels of oil and 300bn cubic feet of gas in the takeover from Seagram of Texas The Duncan refinery repre- Pacific Oil Company. It also sents less than 10 per cent of gained extensive unexplored

Overseas expansion by Huffv

BY TERRY BYLAND

The suit sought to block United's acquisition of about 50 leading per cent of Carrier, a leading manufacturer of heating and air The proposed decree would it the world leader.

fee. to grant a licence to anyone guaranteed debenture at the third to 4m units with the openmaking an application for any necessary to practise the patent its newly formed subsidiary plant in Oklahoma.

HUFFY CORPORATION, the Huffy International N.V. The. Mr. H. Shaw, president and

U.S. bicycle manu- issue coincides with a major chief operating officer, said in facturer, claimed yesterday in sortie into export markets by London yesterday that the com-London that its production of Huffy which does not at present pany was in the process of setting up sales links overseas it the world leader.

The company announced a In May, the group increased major problem.

\$10m convertible subordinated its production potential by one

guaranteed debenture at the third to 4m units with the open-weekend. It will be issued by ing of a new manufacturing \$8.9m or \$2.20 a share on sales its newly formed subsidiary plant in Oklahoma.

This announcement appears as a matter of record only.



INDUSTRIES, INC.

500,000 Shares Common Stock

Lehman Brothers Kuhn Loeb

Kidder, Peabody & Co.

Merrill Lynch White Weld Capital Markets Group

Bache Halsey Stuart Shields

Bear, Stearns & Co.

Blyth Eastman Paine Webber

Dillon, Read & Co. Inc.

Donaldson, Lufkin & Jenrette

Wertheim & Co., Inc.

Drexel Burnham Lambert

Salomon Brothers

September 10, 1980

E. F. Hutton & Company Inc. Lazard Frères & Co. L. F. Rothschild, Unterberg, Towbin

Shearson Loeb Rhoades-Inc.

Smith Barney, Harris Upham & Co.

Warburg Paribas Becker

Dean Witter Reynolds Inc.

Banca Commerciale Italiana

Samuel Montagu & Co.

Morgan Grenfell & Co.

Franco German tyre merger called off

By Our Financial Staff PLANS FOR Continental Gummi Werke, the West German tyre group, to acquire a controlling shareholding in Kleber-Colombes, the lossmaking French tyre company,

have fallen through. In a terse statement, Continental Gununi gave no reasons for its decision to pull out of the deal which would have created a major cross-frontier tyre group with 26 manufacturing plants and an annual turnover of around \$2.2bn.

"In order to protect the interests of both companies and in view of the competi tive situation in the European rubber industry no further comments will be given," the German company declared.

When announced in June this year, the deal was to have involved Continental Gummi in the purchase of Michelin's major shareholding in Kleber. This stake plus shares owned by interests close to

Michelin, which is the largest tyre group in France, would have given Continental Gummi around 64 per cent of Kleber at a price of around FFr 97m (\$24m).

Both Continental Gummi and Kleber have been in-volved in re-organisation of the European tyre industry in recent years. In the middle of 1979, the German group acquired the European operations of Univoyal, the troubled U.S. tyre maker.

First sterling **Eurobond for** French bank

By Francis Ghiles THE FIRST sterling-denominated Eurobond for a French bank. Banque Nationale de Paris, was awaiting its launch last night through a group of banks led by Morgan Grenfell, BNP and Kleinwort Benson. The amount of this 10} year issue is £15m and the indicated coupon 13 ?.

The bonds, which should be priced at par, are redeemable at the borrower's option from 1986.

Most seasoned sterlingdenominated bonds were steady yesterday, though some issues eased slightly on news of the new issue. Sterling convertible Euro-

honds, meanwhile, continue to attract strong support. The 8 per cent Kollmorgen bond to 1995 was trading at 108-109 while the 8 per cent Orient Finance paper was quoted at

In the dollar sector, the new increase in U.S. money supply combined with a weak New York bond market to depress seasoned issues, particularly at the shorter end of the maturity spectrum.

A new Issue is being arranged in this sector, a \$20m 15-year private placement for the EEC, which carries a coupon of 13 per cent, through Hill Samuel. This "bought" deal is being placed with four other banks, aside from the lead manager: BNP Banque Internationale a Luxembourg, Bayerische Landesbank and the Midland Bank Group.

Investors will benefit from a ten-year call protection on the notes which will be priced at par. Proceeds of the issue are earmarked for project lending under the terms of the Ortoli facility.

Bond prices in the hard currency sectors were also under pressure. The DM 150m public bond issue for the Republic of Austria was priced at 99½ by the lead manager. Dresdner Bank, inshtead of the indicated price of par. If the 1; per cent selling group commission is taken into account, investors get a yield of 8.57 per cent. Despite this, the bonds fell to a more than one point discount from their issue price during the first hours of trading yes-terday afternoon.

Only two months ago. the same borrower was able to raise money in this sector on a yield slightly below 8 per cent. Since then, yields on prime names have climbed by more than 50 basis points.

Svenska Handelsbanken is to raise \$20m through an Issue of floating rate certificates of deposits in Singapore, believed to be the first such issue in that market by a non-

resident bank
Terms provide for interest
to be paid at a margin of the per cent over six-month Singa-pore interbank rates for U.S. dollars. The three-year issue is priced at par and lead-managed by Nordie. Bank's Singapore branch.

Mexican bank seeks \$300m

By Our Euromarkets Staff MEXICO'S Banco Nacional de Comercio Exterior has awarded a mandate to Inter-mex to raise \$300m for seven years on terms that mark a further softening of conditions for Mexican state horrowers.

The credit, a bullet which will be repaid in full at maturity instead of in instalments during the life of the loan, hears a margin of only per cent over Libor. Recent public sector Mexican credits have carried split : per

BORROWER PROFILE

Happy ending in sight

of Nicaragua's foreign debt seems to be heading for a happy end. While it is too early to best interest to accept commer-arrive at any specific consensus, cial rates. As it stands the

national banks are understood national lending to Nicaragua. to have been positive. Several banks have indicated they will accept the proposals and none has yet turned them down. The proposals, agreed in principle between the Sandinista Government and a steer- for Nicaragua will be whether

ing committee of 13 major it can meet the first payment of banks, cover \$582m of Nicara- \$20m in Interest, which is due guan public sector debt contracted before the downfall of ber 15. the Somoza regime in July 1979. The The debt is to be rescheduled over a period of 12 years at an initial margin of 1 per cent above Libor rising in stages to 11 per cent. A five-year grace

period is included. Consolidated into the \$582m is unpaid interest between July 1979 and the end of this year calculated on the basis of a

per cent margin over Libor. While the agreement has been circulated to a very large number of banks, it does already, of course, have the endorsement of the 13 members o. the steering committee which together hold 52 per ceut of the total claims.

One member bank, Citibank, has claims amounting to \$56m, or nearly 10 per cent of the total set for rescheduling. The other members of the steering committee are: Bank of Bankers Trust, America, Deutsch - Südamerikanische, First Chicago, Lloyds Bank Manufacturers International, Hanover, Merban Corporation, Merrill Lynch, Royal Bank of Canada, Sanwa Bank, Swiss

Fargo. For these creditors a very important facet of the agreement is that it involves rethey have recovered somewhat. scheduling at commercial rates. According to Sr. Alfredo Alamz, If this is a source of satisfaction the central bank president, to the banks, some might argue reserves stood at \$144m in that it represents a defeat for June, but the country is expect cially viable. Doubtless the Nicaragua, which had been holding a current account deficit of Nicaraguan experience this ing out for substantially softer \$249m this year after a surplus provides a lesson that will be terms and at one stage wanted to reschedule the debt until

Bankers close to the agree. factors in negotiating the agree-ment argue strongly, however, ment interest payments are to that it is in Nicaragua's own initial reactions to the agreement is already a small rescheduling proposals sent 10 first step towards paving the days ago to about 120 interagreement is already a small Once the country demonstrates its ability to meet the conditions of the agreement, new short-term trade financing could

become available very quickly. A crucial test in this respect

International banks seem likely to accept the terms negotiated with the

Sandinista Government on Nicaragua's publicdebt. William Chislett in Mexico City and Peter Montagnon in London report.

is rich in natural resources and has a large untapped economic further \$200m-\$250m in foreign potential, especially in agricul- debt. Discussions on this debt

the lives of 35,000 out of a popusiderably more relaxed than two lation of 2.5m Gross national or three months ago when product fell 37 per cent last many bankers doubted that any year. Hardcore unemployment satisfactory solution to the is estimated at 28 per cent of country's debt problems in the country's debt problems in the country's debt problems. the workforce.

er President Bank Corporation and Wells When former Anastasio Somoza left in July sent agreement described it as 1979, foreign exchange reserves being one in which there are were down to only \$3.5m. Now no winners and no losers they have recovered somewhat. Reaching this commitment 1979, foreign exchange reserves of \$65m in 1979.

The steering committee did Third World debtors also reach

be made on a flexible basis to avoid placing undue burdens on

NICARAGUA (FINATI

the country's limited foreign exchange cash flow Some bankers however, would welcome renewed involvement of the International Monetary Fund in Nicaragua. The tary Fund in Nicaragua. The length by the Sandinista regime partly because of biffe memories associated with a fund credit of \$67.5m granted to the country only a few weeks before Somoza fell. The credit was construed in some quarters as

The banks feel that further any balance of payments financial assistance will be support from the IMF but it has essential for Nicaragua to re-kept up to date with vitalise its war-ravaged

payments to the fund.

Meanwhile, not all the country's foreign debt is covered by the agreement. Still to be resolved is what happens to loans contracted by companies formerly in the hands of General Somoza himself and which have now been nationa iised. The same applies to loans contracted by Nicaraguan banks nationalised by the Sandinistas, and those by the

private companies.

The U.S. investment banking firm, Leslie Weinert and Co. financial advisers to Nicaragua, nomy. The country essentially estimates that these three cate gories together account for a

are due to take place soon. But the economy was shat-tered by the fighting, which took environment that is now con-

possible. One banker close to the firehas involved concessions from both sides, always within a framework of what is commer-

drawn on in future if other

attempt to take account of these the brink of default. FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month. Closing prices on September 15

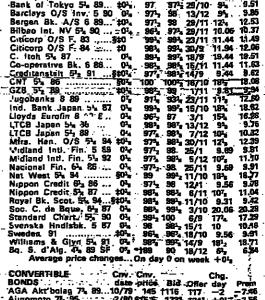
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Denmark 11% 90,	100	92³4	934	-04 -04	13.03
Dome Petroleum 131/2 92	50	101	1015	-04 +04	13.25
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.EEC 11 95	70	874	887	-01, -01,	12.88
EEC 11 95 EIB 11% 92	80	90%	91 %	-04 -04	13,26
EIB 133 90	100	1025	1031	-01, -01	13.17
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Eksportfinans 91, 87	75	867e		-04 +04	
Elec. de France 10 88.	125			-0° 0	
Export Dv. Con. 124 87	100	100%	100%	-15 -15	12.62
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Fin. Exp. Credit 1012 85	50			-04 +04	
Finland Rep. of 91, 86	100			-01 -01	
Ford O/S Fin. 124 85	250			-04 -04	
George Weston 131, 87	30			-01 -01	
GMAC 0/\$ Fin. 11 84	100			-012 -015	
GMAC 0/S Fin. 13's 85	100			-01 -01	
Goodyear 0/S 1212 87	75			-01, -014	
Hudson's Bay 114 90	75	93		-04 +04	
IBM Canada 1012 85	. 50 .	95		-01 -01	
ICI Fin. Ned. 11 83	100	97%		-01 -02	
Int. Harvester 12% 85	115			-01 -01	
McGraw 13 2 85	75	994	1001	-012 -034	13.48
NorWest Ind. 135 87	50	991	100	-02 -02	13.64
Nova Scotia 10% 90	50			-02 -02	
OKB 10 85	50	923		-04 -1	
Pembroke Capital 95 87	100			-04 -04	
Pemex 111, 88	100	923	327	-01 -04	13.04
Ouebec Hydro 111, 92	100	911,		-04 +04	
Repsteel O/S 1112 88	100			-01/2 -05/	
Roylesse Ltd. 114, 85	50	964		-04 0	
SNCF 12% 85	50	100%	1007	$-0^{12} -0^{3}$	12.15
Swed. Ex. Cred. 121, 85	40	1981	994	-21, -21,	12.75
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Unilever NV 91 90	100	841	845	-24 -04	12,59
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Bergen, City of 6 90	50	*102				
BMW Overseas 41, 91	100			+0₽		
Buhrm n Tetterade 7 90		*104%				
Caisse Nat. Tele 4's 89		*927	937,	-01 <u>4</u>	0	5,36
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F G H Hypp. Bk. 6 91	50	11023				5.59
Finland Ron. of 5% 90		194	04L	ŏ	_ñ.	6.42
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Malaysia 5 89	80	*188		+04		
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Companies and Markets INTERNATIONAL COMPANIES and FINANCE

INTERNATIONAL INVESTMENT

ITT and ASEA reduce South Africa holdings

BY QUENTIN PEEL IN JOHANNESBURG

INTERNATIONAL Telephone and Telegraph (FIT) has sold its full 33 per cent equity holding in Allied Technologies (Altech), the South African electronics manufacturer, for R 37m (\$48.8m), it was anindirect last night.

The announcement was made y Altech and Allied Electropics (Altron), the holding company which already owns 52 per cent of Altech.

Although the shares were initially offered to Altron, they have been privately placed with a number of South African financial institutions.

The announcement follows the news that ASEA, the Swedish electrical equipment manufacturer, has reduced its holding in ASEA Electric, South Africa to less than 25 per

The sale has been in the offing since July, when it was currently some 35 per cent.

announced that ITT had offered Altron the option to buy its stake in the company. The 33 by ITT (UK), the ITT subsidi-ary in Britain, in 1977, when Although Altr Altech took over STC's South option to take to African operations in a share exchange. No price was given in Johannesburg for the sale of the 28m ITT shares, although the sale value of R37m indicates that it was at a considerable discount on the latest

trading price for Altech shares of 1,620 cents a share. It is understood that ITT has been granted no special dispensation by the South African Reserve Bank to take its money out of the country at the the shares was its general cor-commercial rand rate. If it porate plan to reduce debt by needs the cash elsewhere, the divesting non - mainstream company will have to suffer a activities or ones in which ITT substantial discount, on the does not have management needs the cash elsewhere, the financial

rand

proceeds is expected to be paid ing its debt-equity ratio. in the form of a dividend, which per cent interest was acquired can be repatriated at the

> Although Altron had option to take up the entire ITT stake, it has bought only 400,000 shares, raising its stake in Altech to 56 per cent.
> Altron is planning its own rights issue of one ordinary

> share for every 10 held, it was said yesterday. Nicholas Colchester in London adds: Mr. Ted Newman, vice-(UK) which holds the Altech stake, explained yesterday that ITT's prime motive in selling

recently announced a number

However, part of the sale of such sales aimed at improv-Mr. Newman said that there

was no disenchantment at ITT with Altech which had developed well since STC's South African operations had been merged into it in 1977— leaving ITT with its 33 per cent stake-but he conceded that general pressure to disengage from South Africa had played a part in ITT's decision to sell out entirely. Originally the plan had been for ITT to preserve a 5 per cent stake in Altech but ITT had since decided this was pointless, he

ITT will preserve its trading links with Altech, including the licensing, technical information and non-competition agreements between the two companies. The U.S. company will retain a South African consumer pro-investments in South Africa financial rand market, at a ducts operation and its Alfred since the Swedish Government count of some 35 per cent

In South Africa, ASEA, whose controlling interest in reduced its holding in a R10.9m (\$14.3m deal with Anglo American Industrial Corpora-American Industrial Corpora-tion (AMIC). It has sold an 43 out of every 100 shares held 18.8 per cent stake, to reduce at 110 cents a share; its interest to 24.9 per cent.

cash outside South Africa, R530, while AMIC, which has acquired a further 13.1 per cent of the shares from other minorities, Swedi becomes the dominant shareholder in the South African company, with 31.9 per cent.

ASEA is the latest, and largest, of a number of Swedish companies to run down their which has to go through the investments in South Africa financial rand market, at a dis-

components decided in 1978 to ban any new investment in that country. Minority shareholders

ASEA Electric have been ASEA Electric South Africa is offered three options by AMIC: the largest single Swedish Redemption of their entire investment in South Africa, shareholding at 505 cents a share;

Receipt of a 170 cents a share • Retention of their shares.

The deal is designed to give The shares were trading in ASEA the maximum amount of the market yesterday around

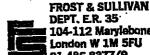
> The second option is the one designed specifically for the Swedish parent company, for it allows it to take the maximum amount out of South Africa in dividends, at the commercial rand rate of \$1.32 to the Rand, and the minimum as capital

Political Risk Report

FROST & SULLIVAN has completed a report which analyses and forecasts political conditions in South Africa through 1985. The report discusses the threat of business losses from regime change, political turmoil, expropriation and repatriation restrictions.

Price: South Africa \$250. Money back

FROST & SULLIVAN publishes political risk reports on 60 countries based on the independent judgements of analysts, businessmen and officials, for each country, around the world. Country reports may be purchased for \$250 each. Inquire about the WORLD POLITICAL RISK FORECASTS service containing the complete set of updated country



DEPT, E.R. 35 104-112 Marylebone Lane London W 1M 5FU

Bahrain lifts curbs on share issues

BY MARY FRINGS

THREE OFFSHORE companies being set up to operate from Bahrain under the Exempt Company regulations have been given permission to offer shares for public subscription in the

The Bahrain Monetary Agency and the Ministry of Commerce imposed a ban on public share floats for Exempt Companies (ECs) last October, after a U.S.\$25m issue by Gulf Investment Company was 1.263 times subscribed. Two earlier issues, by Pearl (Lulua) Investment Company and Golf Union Insurance Company were also the focus of what the BMA described as undesirable speculation. Local banks made unprecedented windfall profits on the lending facilities made

available to share applicants. SERVI there are now over 50 in Bahrain, including six banks, are not required to have a controlling local interest or any local participation all — although they the tax advantages enjoy of being incorporated in Bahrain. But they are not permitted to compete in the local market, and in the case of public joint stock companies. Bahraini companies and citizens

may not apply for shares on

public offer, although they may

participate as founders.

The four locally incorporated commercial banks - National Bank of Bahrain, Bank of Bahrain and Kuwait. Al Ahli Commercial Bank and Bahrain Islamic Bank—began accepting applications for shares in the Arab Iron and Steel Company on September 6, but activity is reported to be at a low level. AISC, which plans to build a \$300m iron pelletisation plant close to Bahrain's Asry dry dock, has an authorised capital of \$150m, of which \$80m has

The second issue, scheduled to start later this month, is for the Arab International Insurance Company, promoted by a Gulf-backed development company also registered as an EC. Financial institutions have traditionally found it easy to attract private funds in the Gulf, and the fact that Arab International Insurance Company is seeking additional share capital of only \$2.5m augurs well for the issue's success.

The last issue in the present series is due to start in October. It is for the \$100m Consolidated Gulf Service and Industry Company, the objectives of which include general contracting, engineering, and the administration of ports and hospitals.



CREDITANSTALT-BANKVEREIN

U.S. \$80,000,000 Floating Rate Notes 1991 Extendible at the Noteholder's option to 1997

Notice is hereby given pursuant to the Terms and Conditions of the Notes that for the three months from 16th September, 1980 to 16th December, 1980 the Notes will carry an interest rate of 121/16% per annum. On 16th December, 1980 interest of U.S. \$30.49 will be due per U.S. \$1,000 Note and U.S. \$304.91 due per U.S. \$10,000 Note for Coupon No. 6.

> European Banking Company Limited (Agent Bank)

16th September, 1980

SUMITOMO HEAVY INDUSTRIES, LTD. (Incorporated with limited liability in Japan)

Guaranteed Floating Rate Notes Due 1983



Unconditionally guaranteed as to payment of principal

THE SUMITOMO BANK, LIMITED (Incorporated with limited liability in Japan)

In accordance with the provisions of the Notes and Agent Bank Agreement between Sumitomo Heavy Industries Ltd., The Sumitomo Bank Ltd., and Citibank, N.A. dated March 7, 1978, notice is hereby given that the Rate of Interest has been fixed at 12% % p.a. and that the Interest payable on the relevant Interest Payment Date, March 16, 1981 against Coupon No. 6 will be U.S.\$ 63,16 and has been computed on the actual number of days elapsed (181) divided by 360.

SOCIETE FINANCIERE POUR LES TELECOMMUNICATIONS ET L'ELECTRONIQUE S.A.

U.S.\$50,000,000 Floating Rate Notes 1980-1986

Irrevocably and unconditionally guaranteed by STET-Società Finanziara Telefonica per Azione

In accordance with the conditions of the Notes notice is hereby given that for the six month period 15th September 1980 to 16th March 1981 (182 days) the Notes will carry an interest rate of 12%% p.a. Relevant interest payments will be as follows:

Notes of \$1,000 CREDIT LYONNAIS (London Branch) Agent Bank

Losses mount at El Al

market, control. He noted that ITT had

By L. Daniel in Tel Aviv EL AL ISREAL Airlines, the national carrier, incurred a loss of \$99m in the 1979-80 financial year, compared with 2 loss of \$24m in the preceding 12 months. However, only 60 per cent of the loss arose from operations, since \$28m was set aside for severance pay—the company is reducing its staff—and a further \$11m was spent on reorganising the

As part of the latter operation, El Al last week sold two Boeing 720B jets to the Cali-fornian Jet Power Corporation for \$500m each. They are to be replaced by two Boeing 737s at the beginning of October. The company is still seeking buyers eight of its 707s and for two of its seven 747s.

Profit rise for Bank Hapoalim

By Our Tel Aviv Correspondent BANK HAPOALIM, I Israel's second largest banking group, reports that its net consolidated profit in the first half of 1980 rose by 198 per cent, compared with the same period in 1979, to reach ISL9bn, thus exceeding the rate of inflation by a substantial margin. In dollar terms, to 1£38.2m.

The bank's consolidated balance sheet as of June 30 amounted to (\$14.3bn), representing a rise of 143.6 per cent in Israeli currency terms, and of 23.3 per cent in dollars on the

Equity capital equalled \$282.6m, a figure which does not take into account the I£2.5bn (\$50m) stock issue iu July, or the floating rate note issue of \$50m offered by Hapoalim international. The Israeli pound figures were translated for this half-year's results at the rate of I£49.68 to the dollar prevailing on June 30, and those for the first half of 1979 at 1525.245.

OTB shows advance

By Our Hong Kong
Correspondent
OVERSEAS TRUST BANK
has reported after-tax profits for the year to June 30 of HK\$ 39.34m (U.S.\$ 7.9m), or 42 per cent more than the HK\$ 27.67m the previous year. For the whole group, which includes property interests and financial service companies, profits rose 55 per cent to HK\$ 55.72m. The final dividend was set at 14 cents a share,

Forfaiting

financing instrument for exporters.

For specialised information and advice, please contact; Dr. M. Höbart

Tel. (0621) 458341 Dr. R. Hauser Tel. (0621) 458467

OMMUNALE LANDESBANK GROZENTRALE usia-Aniage 33 - D-6800 Mannhein (West Germany) - Telex 0463242

> THE KINGDOM OF THAILAND

U.S.\$30,000,000 Floating Rate Notes 1984

In accordance with the provisions of the Notes notice is hereby given that the Rate of Interest for the next Interest Period has been fixed at 127% per annum. The Coupon Amount of U.S.S64.73 will be payable on 17th March, 1981, against the surrender of Coupon No. 4 16th September, 1980.

Amufacturers Hanover Limited

CGE to regroup in computers

THE EXTENT of French ambitions in electronics has become more clear with the announcebelonging to the country's leading electrical group, Compagnie Generale d'Electricite (CGE).

The new line-up, which follows the takeover of Roneo Vickers' this year, is part of a plan designed to concentrate new investment in this sector, where sales are expected to increase by 35 per cent a year over the next three years.

The plan was announced by Mr. Georges Pebereau, number two in the CGE management, ahead of the SICOB computer, telecommunications and office machine fair in Paris.

ing computer systems and cominfluence of the diversified puter peripherals and services Saint-Gobain-Pont-a-Mousson more clear with the announce- are to be brought together ment of a strategic regrouping under Compagnia Generale of computer-related interests d'Electrique, a subsidiary which is controlled through the CIT-Alcatel Telecommunications branch and which will be renamed Alcatel Electronique.

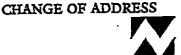
Part of the idea is to build office equipment busines earlier up the Alcatel trademark to compete against the big names in the sector such as Xerox concentrate on developing its and International Business own interests in the same

The French authorities have clearly played a guiding role in the latest moves, which create a second major "pole" in the French computer electronics a leading world market position business. The reorganisation in digital exchanges, public telecoincides with a shareholding communications will this year change at Cii Honeywell Bull, account for no more than 40 All the group's activities in the Franco-U.S. computer comper cent of sa private communications, mail-pany, bringing it under the of the group.

group. Under the deal Saint-Gobain has thrown in its shareholding of more than 20 per cent in Italy's Olivetti. This is expected to provide the basis for new projects in office equip-

CGE decided to sell its 10 per cent shareholding in Cii Honeywell Bull last year in order to ctor. M. Pebereau said he believed the two "poles"—CGE and Saint-Gobain — would be largely complementary.

Although CIT has established per cent of sales by this side



Nordic Bank Limited

The headquarters and London office of Nordic Bank Limited has moved to

> Nordic Bank House 20 St Dunstans Hill

London EC3R 8HY TELEPHONE

General 01 621 1111 Foreign Exchange 01-626 4913 Securities 01-283 9521

General 887654 Foreign Exchange 884611 Securities 884483

A map showing the location of the new office is available from Catherine Corbet-Milward at the above address



IMPACT internationally through the 27th largest bank in the world

In 1983 a new hotel will open in Nanjing in the People's Republic of China. Thirty-seven storeys tall with 804 rooms and a revolving restaurant, it will be concrete evidence of the growing communication between China and the West.

Amro Bank helped provide the US\$35.2 million loan needed to build it.

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New threat to Atlantic salmon

By Our Commodities Staff

ATLANTIC SALMON could face a new threat if Britain's 12-mile fishing limit is opened to other countries—as is planned from December 1982. This warning is given today by the Atlantic Salmon Trust in a new booklet,

Atlantic Salmon Facts. Until December 1982, EEC member States are entitled to restrict the exploitation of fishing stocks within 12 miles of their shores, but after that date 'in principle States must onen to all member States equal conditions of access to and use of fishing grounds within the 12mile limits." says the trust.

It points out that the salmon producing countries, Britain France and Ireland, are in a minority within the EEC. Yet the EEC Commission now negotiates all international fishery agreements on behalf of members. The Community also includes Denmark which is responsible for the Greenland Salmon Fishery, which the trust considers is not sufficiently con-

It points out that the catch by the fall in gold. quota for this fishery is 1,190 tonnes a year, equivalent to more than 300,000 salmon, but tors was encouraged by the in 1979 the quota was exceeded failure of the three months 26,060,000 ex. by 17 per cent. Three times as many females are caught as males in the fishery.

" Atlantic Salmon Facts " was produced to provide answers to the most commonly asked facts about the fish. How salmon navigate, details of their life cycle and travels, figures of annual catches, the rising value of salmon are among the facts given. The booklet is obtainable from The Atlantic Salmon Trust. 14 Downing Street, Farn ham, Surrey GU9 7PB.

'sraeli grapefruit corports start

PICKING of early grapefruit has started in Israel and the first vessel with 50,000-60,000 cases is due to leave for Marseilles later this week.

It is expected that the coming (1980-81) fruit season's exports will rise to between 49m and 50m cases, compared with 45m cases worth \$250m in 1979-80 when the crop was reduced by adverse weather conditions.

However, the coses to be used now will be about 5 per cent smaller than those used last year so that the increase in quantity will be of the order

COPPER—Lost ground on the London Metal Exchange reflecting the weakness in gold and silver. After opening at 1898 forward metal came under general selling and dipped below 1895 at which

point stop-loss selling was triggered. This depressed the price further to 2894 in the morning rings before a minor rally to £891 on the kerb. In the alternoon three months traded around the £889 level but met late selling which prompted a close of £884.5 on the late kerb Turnover; 17,100 toppes

the late kerb. T urnover: 17.100 tonnes. COPPER Official — Unofficial —

Wiredars Cash...... 862-2,5 -18-2 861.5-2 -15.2 3 months 883.5-30.5-17.5 889-9.5 -15.2 Settlem't 862.5 -18.5

Amalgameted Metal Trading reported

Wirebars

BASE METALS

BRITISH COMMODITY PRICES

Gold decline hits base metals

BY JOHN EDWARDS, COMMODITIES EDITOR

brought a generally easier tone on the London metal markets yesterday. Dealers on the London Metal Exchange commented that fundamental supplydemand factors were virtually ignored as the markets followed

Silver staged a rally, in line with a slight recovery in gold during late trading but still ended lower. The bullion market spot quotation was cut by 72p to 824.5p a troy ounce at the morning fixing, but the market rallied in later trading to close just over 850p. Meanwhile in New York the Con-modity Exchange (Comex) announced it was raising margin requirements for speculators by \$1,000 to \$8,500 per contract because of increased volatility in the market.

Copper led a decline in base metals. Cash wirebars closed £15.25 lower at £861.75 a tonne as a result of selling influenced

It was claimed that selling both by the trade and specula-

THE DECLINE in gold prices quotation to stay above the \$900 mark breached Friday.

downtrend accelerated by a Reuter report from New York quoting a Phelps Dodge spokesman as saying considerable progress had been made in weekend talks aimed at settling the 11-week old strike by U.S. copper workers.

Copper stocks held in LME warehouses fell by 75 tonnes last week reducing total holdings to 119,900 tonnes, in spite of market predictions of a stocks

There were huge rises in aluminium and lead stocks, but these had little impact on market prices since they had already been discounted to a large extent. Lead stocks were up by 9,525 tonnes raising total holdings to 63,225 tonnes, while aluminium stocks jumped by 9.850 to 33,500 tonnes. Tin stocks also rose by a hefty 640 tonnes to 4,345 tonnes, and zinc by 675 to 61,375 tonnes. Nickel stocks fell by 180 to 4,890 tonnes, while LME silver holdings declined by 210,000 to

Optimism at coffee pact talks

TALKS AIMED at regulating prices to the detriment of sales the coffee market, through rejuventating the International able. Coffee Agreement, started in London yesterday in an optimistic note. Octavio Rainho, Brazilian Coffee Institute president, gave a strong hint in a speech, released yesterday in Rio de Janeiro, that producers were prepared to abandon unilateral market support measures in favour of reaching agreement with consumers on export quotas linked to "trigger" price

Sr. Rainho said that while conscious of the risks involved,

He claimed that a coffee export policy orientated basic-

Three month Silver 872-880

hopes boost sugar By Our Commodities Staff

Purchase

STRONG rumours of Soviet and other international sugar purchases brought early rises on the London terminal market yesterday, but prices then lost ground before rallying later. Mixed selling partly related to a lower gold price was cited by traders, but in the afternoon news of New York's steady

of purchases helped the rally. In New York world sugar futures rose by the 1.00 cent per pound permissible limit for the third session in a row, also sparked by the talk of large purchases by importing coun-

demand and continued reports

Dealers said that Soviet buyng would be logical because of delayed domestic harvest and the poor Cuban crop. but they could not confirm sales. Normally the Soviet Union does not buy from the world market until November or December. Market talk suggests that Soviet purchases could be about 1m tonnes for the coming year.

Besides the rumours of Soviet purchases, there were also reports of sales to China, East Europe, India, Indonesia and Venezuela. But the flurry of genuine and rumoured imported demand for physical sugar caused some dealers to be wary in case it reflected a need to explain the sharp rises in world prices at the end of last week. The average root weight in the seventh West German beet test climbed to 646 grammes from 586 last week but compared with 693 grammes a year ago reports Reuter. The sugar content stood at 146 per cent against 14.4 per cent last week

Crop forecast fails to lift cocoa

THE FORECAST of a 10 per cent drop in West African cocoa

producer country selling. Gill and Duffus estimated that world cocoa production in 1979-80 reached a record 1.6m tonnes resulting in a surplus of 158,000 tonnes over consumption. It calculated closing stocks the individual quotas assigned at 651,000 tonnes would be at the highest level since 1966-67.

Soviet harvest hopes dashed

HEAVY RAINS and unseasonably cold weather have hampered the Soviet grain harvest in the western parts of the country and there is now little hope that the Soviet Union will be able to correct severe meat shortages in the country in the near future. U.S. agricultural experts

predicted that the Soviet grain harvest this year would be no more than 210m tonnes. an improvement over last year's disappointing harvest of 179m tonnes but far short of the target for the harvest which was 235m tonnes.

Mr. Boris Parshin, a Soviet agricultural official, blamed difficulties in bringing in the

BY OUR COMMODITIES STAFF

THE U.S. Department of Agricul-

ture has warned that the present

difficulties with the Soviet wheat

harvest are paving the way for even more problems with next

year's crop. It says that delays in winter grain seeding may materially reduce the wheat part

of the Soviet Union's 1981 grain

harvesting this year's crop, there

is less time for planting the 1981 winter wheat. "In some areas,

the optimal seeding dates have

passed with this year's crop still in the fields. Seed shortages have been reported," says the department.

It adds that in some areas

farmers are being urged to seed next year's crop with only minimum seedbed preparation. The delay in sowing progress is likely to restrict plantings and

development of some autumn-grown winter grains.

"Unless planting conditions improve rapidly, it is unlikely that the Soviet Plan goal of 42m

hectares of winter grain will be fulfilled," it added, though part of the reduction might be made

ditions and waste losses.

Because of the time taken in

harvest, which has now fallen at least a week behind schedule on "unceasing rains" in the northern Ukraine, the Baltic region and many areas of the central Russian non-black soil zone.

Tohe rains combined with unseasonably cold weather in northern and western areas of the country have slowed the pace of the harvest since early August and flattened and ruined considerable areas

Soffet planners were counting on a successful grain harvest this year to counter the effects of the grain embargo which forcell uneconomical distress slaughtering and contributed to sharp

USSR grain planting delay

ments point toward a further forecast.

tightening of the Soviet total

The USDA had gloomy news

grain supply/demand situation.

for almost everyone, producing

new lower estimates for the current year's U.S. grain crops except for wheat in which there

has been a bumper harvest. Initial reaction on the Chicago

grain futures market, however,

was to mark prices down, mainly

because traders had anticipated

somewhat lower crop forecasts.

The slightly more optimistic

crop predictions unleashed a wave of selling on a market that

had been expecting a far

However, this market reaction

should not disguise the fact that

probable American production

this year of all grains, including

wheat, feedgrains and rice, at

crop

gioomier picture.

declines in Soviet meat and dairy production and shortages of these products in many areas.

Soviet figures for the first seven months of 1980 showed that meat production, which rose sharply early in the year because of distress slaughter-ing was down 5 per cent for the January to July period compared with the same seven month period of 1979.

U.S. Agricultural experts said that in recent months. meat production on a monthly basis has averaged between 10 and 15 per cent below the level of production in the late spring and early summer months of last year. Milk production for the

The report says that bot, dry

ates for several U.S. crops

weather reduced production esti

during August. Maize production

bushels production.
Soyabean production estimates

bushels compared to 1.88bn of

August's estimate. But this again

production last year of 2.27bn busbels. Feedgrains estimates

are similarly down at 191.1m tonnes compared to 196.7m esti-mated in August; feedgrains pro-

duction last year was 233.9m

tonnes.
But production of both rice

and wheat is expected to be up, wheat to a bumper 2.35bn bushels

use is expected to slip below

6.0m bales from 6.5m last

season, and exports will fall

to 10 per cent above competi-

tive foreign cotton in interna-

is a large fall compared

first seven months of this year was 4 per cent less than for the same period of last year and butter production

was also off 4 per cent.

The reduction in the size of Soviet animal berds which has taken place this year may appointing harvest, there will be no repetition in early 1981. of this year's distress slaughtering, which was caused by a shortage of feed.

There seems little prospect: however, of any marked inprovement in the Soviet meat supply situation, unless the grain harvest this year un-expectedly exceeds the projections presently

By Hilary Barnes in Copenhager

Danish

aid for

farming

THE DANISH government is is now estimated at 8.53bn proposing to come to the aid of bushels, only a slight reduction on the August 6.47bn, which was why the market was hearish, but agriculture by channelling about Kr 2bn (£151m) into the farm ing industry from the assets of pension funds and life insurance companies. big drop on last year's 7.76bn also show a slight fall, to 1.83bn

The plan, however, has you be agreed with the funds of other political parties of government doesn't have majority on its own). The is also opposed by the courtal bank on the grounds that the money will be diverted the from purchases of government bonds, affecting control of the money supply.

The government has indicated that it will The government has also indicated that it will again agriculture by amending the wealth tax, the capital gains ax the tax on breeding herds and by a speedier repayment of value added tax on exports: Earlier this year, the govern-ment agreed to provide guarantees for loans at an interest rate of 5 per cent below the market rate (about 19 to 20 per

Mr. H. O. A. Kjeldsen said after a meeting with Ministers that total net farm incomes have fallen from about Kr. 5.6bn in 1978 to an estimated Kr. 2.3bn this year, giving a fall in the net farm income from about Kr. 55.000 to about Kr. 22,000. At the same time. net interest payments have risen from Kr. 4.30n do

cent) up to a maximum total of

Kr. 700m a year.

Kr. 6.8bn.

BY OUR COMMODITIES EDITOR

Brazil felt it could not rely solely on the activities of Pancafé (the producer support buying group) on the world

of 5 per cent to 6 per cent- ally toward maintaining high to each country.

volume was extremely unadvis-The U.S. has made it plain that no agreement can be reached on regulating the world

coffee market until the producers stop attempting to "manipulate" prices through co-ordinated action, such as Pancafé. It is believed the producers enthusiasm for the supbuying policy has port evaporated with the failure of Pancafé, which is believed to have suffered heavy losses, to prevent a slide in world market values to the lowest level for four years.

However there is likely to be considerable disagreement at the London talks over the "trigger" price levels at which quotas would be activated and

production in the 1980-81 season in the latest report by London brokers, Gill and Duffus, failed to stir the market yesterday. Prices ended marginally lower, depressed by the decline in gold and reports of some

stocks since the early 1950s, the from last season's 9.2m. The department said cotton

265m tonnes would be 34m wheat to a bumper 2.35bn be tonnes below last year and 2m and rice to 140.2m tonnes.

Fall in cotton stocks seen

up with more seedings of lower-yielding spring grains. stocks next August 1 are pro- severely limit usage. Domestic Another important developjected at 2.7m bales (480 lb), ment, USDA said, is the decrease in the estimated useable grain down from 3m bales this year, and the smallest carryover sharply to around 6.3m bales available from the 1980 Soviet crop because of poor harvest con-U.S. Agriculture Department USDA said heavy rains at harvest means losses and waste in the USSR this year will be above

Total supply this season is projected at 14.8m bales, down from 18.6m in 1979-80, as the crop is forecast at 11.7m bales, down 20 per cent and August 1 stocks were 25 per cent below a year earlier.

However, the USDA said in

prices have increased shanply in recent months, reflecting the tight supply-demand balance. Cotton is now priced 15c to 20c per lb above polyester staple in domestic markets and 5 per cent

Taken together, these develop- tonnes down on the August

tional markets, the USDA its latest supply and demand added. report that the small supply Reuter

AMERICAN MARKETS

NEW YORK, September 15.

THE ENTIRE livestock complex was limit or near-limit up as the livestock markets began to shitcipate a buillab pig crop report next week. Precious metals declined sharply. Copper sold off sharply as Phelps Dodga was reported to reach a settlement on a new contract. Coffee was reeling under heavy pressure of long liquidation. Cocoa was strong on good manufacture buying. Sugar was again strong as adverse weather in East Europe dominated the news. Grains and soyabsens finished narrowly mixed on light buying, reported Heinold. Potstoes (round writes)—Nov. 90.5-90.8 (91.6). March 126.4-127.0 (123.1), April 148.7-149.6. Sugar—No. 11: Oct. 37.00-37.70, Sept. 36.45-36.50 Oct. 37.00-37.71,
32.60.
Tin—810.0-815.0 (825.0).
CHICAGO, September 15.
Land—Chicago loose 23.25 (same).
New York prime steam unavailable. Live Cartile Oct. 69.00-69.10 (68.35), Dec. 70.95-70.90 (69.52), Jan. 72.10, Feb. 72.40-72.25, April 74.47-74.37, June 75.75-75.82, Aug. 75.30, Oct. ——, Dec. 74.50. Dec. 74.50.
Live Hogs—Oct. 46.00-48.10 (45.80),
Dec. 49.70-49.55 (48.25), Feb. 53.05,
April 52.07, June 55.90, July 57.10,
Aug. 55.50-55.10, Oct. 52.70, Dec.

\$\frac{\pmathrm{4}}{2482}\text{minimal} \text{ 360}\text{ 3487},
\text{ Dec.}

34874-34872 (34974), March 36012-380,
May 36574-365, July 36574-366, Sept.
3893-3936, Sept.

EUROPEAN MARKETS

ROTTERDAM, September 16.

Wheat—U.S. No. 2 Dark Hard Winter,
13.5 per cent, Oct. \$210, Nov. \$212,
Dec. \$216, Jan. \$223, Feb. \$227, March
\$231. U.S. No. 2 Red Winter, Oct.
\$200, Nov. \$202. U.S. No. 2 Northern
Spring, 14 per cent, Sept. \$209,50,
Oct. \$213, Nov. \$218,50, Dec. \$223,
Jan. \$243, Feb. \$245, March \$248.

Cocca (FFr ner 100 kilos)—Sept.

Dec. \$308, Nov. March \$312.50. 1, 7

PARIS, September 15.

Coccoa (FFr per 100 kilos)—Sept. 1000, Dec. \$163. Nov. \$184.50, Dec. \$167.50, Jan.-March \$174, April-June \$174, July-Sept. \$175.

Soyabeans—U.S. Two Yellow Gullports Sept.-Oct. \$330.50, Nov. unquoted, Dec. \$350.3850, Jan. \$344.50, Feb. \$350, March \$360.3850, Jan. \$344.50, Feb. \$350, March \$350. Sales at call 15.

INDICES		DOW	JOI	IES	7. 1811 7.75U
I WANGIAL TIMES	Jones	Sept.	Sept.	Month ago	Year ago
Sept.12 Sept.11 Mnth ago Year ago S 282.15 281.40 274.43 288.14 F (Base: July 1, 1952=100)	ture 4	168.35 178.68 Average	476 74	461,71	415.91
MOODY'S		REL	JTER	ş	Har
Sept. 12 Sept. 11 M'nth ago Year ag o	Sept.15	Sept. 1:	aM'nth	ego Ye	ar ago
1515.5 1289.2 1247.5 1119.0 (December 31, 1931=100)		1767 a		 -	620.7 (=100)

Quarters 42.0 to 43.8; Eire hindquarters
72.5 to 75.0; forequarters 41.3 to 43.5,
Veal: Dutch hinds and ends 103.0 to
106.0. Lemb: English small 54.8 to
60.0, medium 52.8 to 58.4, heavy 48.0
Imported frozen: NZ pl 65.8 to 67.0,
pm 48.5 to 50.0. Pork: English, under
with 100 to 39.0 to 48.8, 100.120 ib 37.5 to
pm 48.5 to 50.0. Pork: English, under
with 100 to 39.0 to 48.8, 100.120 ib 37.5 to
pm 48.5 to 50.0. Pork: English, under
with 101 to 39.0 to 48.8, 100.120 ib 37.5 to
pm 48.5 to 50.0. Pork: English, under
with 102.100 to 48.8, 100.120 ib 37.5 to
pm 48.5 to 50.0. Pork: English under
with 105 to 50.0. Pork: English under
large 100 to 48.8, 100.120 ib 37.5 to
pm 48.5 to 50.0. Pork: English under
large 101.0 to 10 roots—Per bag 1.00. Cucumbers—Frays 10/20 1.40-2.00. Tomators—Per 12-10 1.00-1.80. Lettures—Per 12 round 0.80-1.00. Cos 1.30. Webbs 1.20. Sprouls—

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GOLD

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Forum. Luncheon. Reception. £85/\$195 per person

at the London Press Centre

المكالمن الخص

untraded.

LEAD—Lost ground in line with copper. After opening at £393 three months dipped to £388 before recovering to £390 on trade buying. In the afternoon the price held around this TIN-Easter despite a rise at Pananci over the weekend. Forward metal opened sround E7,350 but fell away to £7,320 in the rings reflecting the decline in copper and general selling. In the afternoon fresh selling developed leve but met renewed saming on the lete kerb to close at £387. The sub-stantial increase in stocks had been widely expected and had little effect on sentiment. Turnover 5,800 Otonnes. In the siternoon fresh selling developed and this depressed three manths to the day's low of £7,270 on the late kerb. The contango narrowed from \$80 to £80 despite the larger than the state of the series of the s

Cash 574.4.5 +2.75 372.4 -8 570.90.5 +2 387.9 -7.5 374.5 +2.51 374.5 -2.51 -2.51 a.m. + or p.m. + or

Morning: Cash £374, three months £389, 89.5, 90. Karb: Three months £380, 90.5, 91. Attendon: Cash untraded, three months £381, 90, 89. Kerb: Three months £387, 86, 87, 86.5, 86.5 837-8 -14,5 854-5 -14,5 854-5 -14,5 858-5 -14,5 858-5 -14,5 858-5 -14,5 858-5 -14,5 3 months 7320-5 -2,5 7240-50 -46 838 -15 -18,5 858-5 -St. ZINC Marginally easier in line with copper and lead. Forward metal opened lower and thereafter held steedy to close the late karb at £340. Turnover: 3,500 tonnes.

Moming: Cash £326, 25, 24.5, three months £340, 39.5, 40. Afternoon: Cash untraded, three months £340.5, 41, 40. Kerb: Three months £330.5, ALLIMINIUM Barely changed in idle

ALIMITATION Salesy change in tole trading with the heavy increase in stocks discounted. Three months opened at £705 and edged up to touch £708 before easing to close the late kerb at £705. Turnover: 7,425 tonnes.

Morning: Cash £697, three months £705. Kerb: Three months £705. Afternoon: Cash untraded, three months £705, 04, 06, 07. Kerb: Three months £707, 08, 05.5.

NICKEL—Moved narrowly in subdued the part of the series to add trading prior to ending the late kerb at £2,815. Turnover: 208 tonnes.

Morning: Untraded. Kerb: Three months £2,820. Afternoon: Cash untraded, three months £2,815. Kerb: Three months £2,810.

* Cents per pound. † SM per picul. On previous unofficial close.

Silver was fixed 72p an ounce lower for apot delivery in the London bullion market yesterday at 824.5p. U.S. equivalents of the fixing levels were: Spot \$18.726, down \$1.924; three-month \$20.326, down \$1.931; aix-month \$20.926, down \$1.981; and 12-month \$22.17, down \$2.01. The metal opened at 850p-862p (\$20.30-\$20.60) and closed at 835p-847p (\$20-\$20.30). Buillon + or L.M.E. fixing - p.m. price Unoffici'l.

Spot....... 824.50p —72 852.5p 3 months. 859.50p —71,9884.5p 6 months. 884.50p —76.9 — 12 months 939.00p —78.8 — LME—Turnover 134 (176) lots of 10,000 ozs. Morning: Three months 388, 67, 66, 67, 62, 54, 65, 54, 63, 5, 63, 63,65, Kerbe: Three months 863, 64, 65, 64, 63, 83.5. Afternoon: Three months 863, 54, 77, 78, 79, 80, 81, 80, 83, 84, 85, 84. Kerbe: Three months 863, 81, 80, 76, 75, 75.

Dec..... March.....

May 1091-93 +3.0 1092-75 July 1110-15 +2.5 1110-1097 Sept 1128-33 +1.5 1118 Dec 1150-58 +3.0 :1145 Sales: 3,329 (4,865) lots of 10

Robustas continued in the recent downward trend as losses of £15-£25 were registered in mixed dealings, reports Drexel Burnham Lambert. Volume was light with switch trading the only feature during a quiet morning. A lower than anticipated New York opening prompted further weakness in the afternoon but the market tound good trade support around the contract lows.

COFFEE	esterday's Close	+ or	Business
. 4	per tonne	_	Done
Sept	1052-58		1063-40
NovJanuary	1085-86 1113-14	23.5 14.5	1097-75
March	1118-19	-14.0	1136-16
May July	1130-38 1150-55		
Sept			
Sales: 3,93		ors of	5 tonnes.

Sales: 3,336 (4,438) lots of 5 tonnes. ICO Indicator prices for September 12 (U.S. cents per pound): Other Mild Arabicos 123.00 (127.00); Robustas ICA 1976 127.00 (130.00): ICA 1968 127.25 (130.75); Unwashed Arabicas 212.00 (same). Comp. daily ICA 1968 164.58 (166.42).

GRAINS

LONDON GRAIN FUTURES—The market opened 10p down on commercial selling pressure. Prices declined steadily all day despite some country buying of the spot positions. Pressure was always more evident on wheat than on barley and closed 25p down on the spot and 45p-75p down on the day, reports Acli.

WHEAT BARLEY OF Yesterday + or Yesterday + or Minth: close ; -- ! close | --Sapt... 95,95 | -0.25 | 89,75 | -0.25 | Aug... 57,30-75,60,674,75-74,80,876,00-87,00 | 89,80 | -0.58 | 92,60 | -0.59 | 92,60 | -0.59 | 92,60 | -0.59 | 92,60 | -0.58 | -0.58 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | -0.45 | Business done—Wheet: Sept. 95.00-95.90, Nov. 99.20-98.70, Jan. 103.55-102.95, March 107.20-106.60, May 110.75-110.30, July 114.15-113.95, Sales 315 lots of 100 tonnes. Berley: Sept. 89.75-89.75, Nov. 92.00-92.55, Jan. 97.10-98.75, March 100.75-100.45, May 104.30-104.05. Sales 523 lots of 100 tonnes.

tonnes.

LONDON GRAINS—Wheat: U.S. Dark
Northern Spring No 2 14 per cent
Sept. 95.50, Oct. 97.70, Nov. 99.70,
Dec. 102.30 transhipment east coast.
U.S. Hard Winter 13½ per cent Oct.
96.25, Nov. 97.50, Dec. 99.80 transhipment east coast.
Maize: U.S./French
Sept. 122.50, Oct. 121.50 transhipment
east coast. Maize: U.S./French
Sept. 122.50, Oct. 121.50 transhipment
east coast. S. African Yellow Sept.
Oct. 90, Barley: English Feed (ob Sept.
90.75, Dec. 99, Feb. 102.50 traded east
coast. Rest unquoted. HGCA -- Locational ex-form spot prices. Other milling wheat: Eastern 95.00, E. Midlands 97.90, Scotland 97.50. Feed barley: Eastern 85.00, E. Midlands 86.10, N. East 85.00, Scotland 83.40.

After initial easiness due to light rofit-taking, cocoa futures steaded on

renewed commission house support which absorbed scale-up trade selling. Producers were again inactive and physical business was scarce as off-take among consumers remains modest, reports Gill and Duffus.

fob (313) cents a kilo and SMR 20 at PRICE CHANGES

No. 1 Yest'day Previous Business Close Close Done

| Previous Business | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Sept. 15 | Lor Model | Done | Done | Sept. 15 | Lor Model | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done | Done

everage, amounting to 13 per

cent or 27m tonnes of the crop.

up from the 10 per cent norm-

The third key development has

been a slight switch by the USSR

toward more wheat and less coarse grains in their import

mix, USDA said.

5 tonnes.
Physical closing prices (buyer) were:
Spot 64.50p (64.00p): Oct. 65.25p
(same): Nov. 68.25p (same).

SOYABEAN MEAL The London market opened slightly

easier on commission house selling. However, further losses were tendered by a weaker sterling, reports T. G. Roddick. Prices rallied on trade buying but this was short-lived as profit-taking closed the market with losses but this was short-lived as taking closed the market with of £1.80 on the day.

	Yest'rday Close	+or.	Business Done
	£		
ctober			127,00-25,58
cember.			132.00-29,20
bruary			136,80-51,20 184,00-52,90
::::::::::::::::::::::::::::::::::::::	184,00-85,5		
	134.00-37.0		
	166,00-58.0		
Sales: 14	(356) lati	of 10	O toppes

LONDON DAILY PRICE (raw sugar):
E360.00 (same) a tonna cif for Sept.Oct. shipments. White gugar daily
price was £359.00 (£345.00).

The market rose some £8 from preweakend levels but later as more
selling developed, all the gains were
lost. When New York opened lower
than anticipated further small losses
were recorded before oversess prices
moved sharply higher on trade buying
of the spot October position, reports
C. Czarnikow.

No. 4 Con- tract	Yest'rdays Close	Previous Close	Business Done								
	£ per tonne										
	379,20-70,40; 386,00-87,00										
ch	396,50 96,75	894,50-94,75	401,00-586.								
8y	392,00 92,60	680.00-81.00,	595,00-81,0								

buyer, seller, business, sales). Oct. 370.50, 372.00, 371.50-360.50, 623. Sales: 623 (737). Tate and Lyle ex-refinery price for rate and tyle ex-refinery price for granulated basis white sugar was £342.6 (same) a tonne for home trade and £452.00 (£458.00) for export. International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for Sept. 12: Daily price 36.80 (32.44); 15-dey average 31.72 (31.32):

WOOL FUTURES BRADFORD—There are lears the threatened British dock strike might reveal some stock shortages in particular qualities, and-interfere with pro-

duction. Another firming factor is the drop in sterling combined with the idea that wool and other related raw materials could be showing more stability and strength more stability and strength of the control

In tonnes unless otherwise stated

	Sept. 15 1980	+ or	Month ago	
				
Malala	l .	í :	!	
	ERIO/RIÈ	[]	RR 10/R15	
			W 10 10112	
Cas w'bar	2861.75	-15.26	£848.5	
ā mths	£889.25	-15,25	£867.75	
Cash Cathode_	£834,5			
ة mths:	£862,5			
	£5,205.08		£6, 186,48	
-Leewitt (611 (10)	Santo you		X 240 (900 P.C.	
Distinizate's As	Pane	l 1	2199 KA	
Free mit	2022	G TA	2364 2064	•
		_5, IU	\$406/4T5	
Silver troy oz	824.50p			
ā mths	859.50n		680.20n	
		•	•	
Z melas	27,240 27,207 E			1
Ting stends R47	2144 87	[£142 30	
				j
		010		1
Olfo I			-	- 2
	ā mths	Metals Aluminium	Metals Aluminium £810/818 Free Mkt \$1719/1749 Copper £854.5 -16.26 5 mths. £869.25 -16.26 5 mths. £869.3 -14.5 6 mths. £869.6 -14.5 6 mths. £854.5 -14.5 8 mths. £873 -8 8 mths. £873 -8 8 mmths. £373 -8 9 mths. £288 -7.5 Nickel. £32,205.00 Freemkt (elf (ib) £86/3165 Platin'mtr'y ox£202 Guicksilver; £290 -9.18 Guicksilver; £290 -9.18 Guicksilver; £290 -72 5 mths. £89,50p -72 5 mths. £89,50p -71 7 mths. £7,297.5 -65 Tung stan22,946,8151/154 Zing cash. £325 -5.5 7 months. £339.5 Froducers. \$780	Metals Aluminium

Copra Philip.... 2405 Coyabsan(U.S.) \$3386 Grains Barley Futures £92.60 —0.50 £93.75 French No3AM £122,501. commodities

Coconut (Phil). \$590x -5 \$620 Groundnut 2387 2401 Linseed Crude. £387 2401 Palm Malayan. \$542.5# 5550

† Unquoted. t Oct. u Sept-Oct. v Nov. z Indicator. § Buyer. † Per 76-lb flesk, • Nominal.

order buyer, seller, business, seles).
Australian cents per pound. Oct.
465.1, 466.0, 485.5-462.0, 149; Dec.
475.0, 476.0, 478.0-473.0, 133; March
484.0, 485.0, 486.5-481.8, 146; May
490.0, 490.5, 493.0-489.5, 137; July
492.5, 493.5, 494.0-482.0, 70; Oct.
481.0, 483.0, 482.0-490.0, 6; Dec. 492.0,
493.5, 493.5-491.5, 38; March
493.0, 495.0-495.0, 11 Sales; 690. **POTATOES**

LONDON POTATO FUTURES—The market was stagnant with lack of direction from the physical market being main cause, reports Coley and Harper. Closing prices: Nov. 40.10, +10 (high 40.10. low 40.00); Feb. 47.10, +10; April 54.10, +10 (high 54.10, low 54.00). Turnover: 12 (54) lots of 40 tonnes. TEA AUCTION

LONDON TEA AUCTION—49,513 peckages were on offer at yesterday's auction, good demand prevailed. Bright second flush Assema again sold well but others were irregular. East African CTCs mat improved competition with dusts a good feature. Caylons opened fully firm, spart from plain types, but closed on a dull note. Quotations: Quality 140p per kilo (132p); Medium 100p (96p); Plain 58p (58p).

COTTON LIVERPOOL—Spot and shipment sales amounted to 120 ronnes. Variable demand came forward, without any additional contracts being placed. Useful support was mostly in American type qualities, Latin American growths attracting chief attention.

MEAT/VEGETABLES SMITHFIELD—Pence per pound. Beet: Scottish killed sides 61.0 to 65.5; Ulster hindquarters 72.5 to 75.8, fore-

GRIMSBY FISH—Supply fair, demand good. Prices at ship's side (unprocessed) per stong: Shalf cod £5.00- 1.00. Cost 1.30. Webbs 1.20. Sprouls—Per pound 0.10-0.12. Corn: Cobs 584th 0.10. Cerrots—New crop 284th 0.80- 1.30. Onione—Per bag 1.50- 285. 0.80- 1.30. Compose—Per pack 20739. Colors Per pound 0.10-0.12. Corn: Cobs 584th 0.10. Cerrots—New crop 284th 0.80- 1.30. Colors—Per pack 20739. Colors—Per pack 20739. Colors—Per pound 0.20. Runner Beams—Par pound 0.12-0.14. Seates—Per 28-th 0.10. Cerrots—Per pound 0.12-0.15. Cerrots—Per pound 0.12-0.15. Cerrots—Per pound 0.10-0.12. Cerrots—Per pound 0.10-0.12. Cerrots—New crop 28-th 0.10. Cerrots—New

Mr. Alan Hindley

has been appointed a director of C. ROWBOTHAM AND SONS (INSURANCE). Mr. John

At THE MARLEY TILE CO.

Mr. R. M. Armstrong becomes a director; at Marley Extrusions

Mr. T. M. Arnott, is appointed

Mr. Neil Wall has been appointed to the board of NORTHERN FOODS.

Mr. J. P. K. Haslehurst, managing director of Wellman Mechanical Engineering has been appointed chairman of the

Mr. T. M. Smeddon, director, dministration and finance of Davy McKee (Minerals and Metals) has been appointed

chairman of the IRONMAKING AND STEELMAKING PLANT CONTRACTORS ASSOCIATION.

LILLYWHITES, sport and

leisure-wear company, owned by

Trusthouse Forte, has promoted three senior executives to directors. They are Mr. Stephen Richardson, Mr. Jeffrey Margolis who becomes buying director, and Mr. Jim Allan, marketing director, Mr. Richard.

marketing director, Mr. Richard-son has also been appointed a director of Lillywhites Canta-

brian, the company's manufac-turing unit. Other Lillywhites

Cantabrian appointments are Mr.

Colin Brown, production director, and Mr. John Moore,

WILLIAMS (HOUNSLOW)
has appointed Mr. R. W. Munken-

beck as managing director. He

The MAT Group has appointed

Rothman, where he was director

in charge of information systems

and distribution arrangements.

TORS has appointed Mr. Graeme Millar as marketing director.

LEX VEHICLE LEASING has

Mr. Brian Mathson has been

Mr. J. Kenneth Kilcarr has

PORATED. Mr. Kilcarr, who

continues to serve as executive

The SIMPSON LABEL COM-

Mr. Donald H. A. Huddart has

been appointed by STANDARD TELEPHONES AND CABLES as

munications. As a member of

director.

AUTOMOTIVE

managing director.

sales director.

Chicago, U.S.

METALWORKING MAKERS' ASSOCIA-

BY MICHAEL DIXON

Divisional post at Fairey Holdings

Mr. Alan Hindley has been appointed managing director of the Fairey Phiration Division of FAIREY HOLDINGS to direct and coordinate Fairey Fibration at Heston, Fairey Arlon BV in Holland and Fairey Arlon Inc.

Exiter lough

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irming

Prior to joining the Fairey Group, Mr. Hindley was from 1978 vice-president of business development and engineering resources for Solus Ocean Systems. Before that he was ten years with Honeywell Control Systems, the last eight years of which were spent at the company's European headquarters in Brussels.

Mr. R. S. Fulford will be joining UNITED GAS INDUS-TRIES on October 1 to succeed Mr. N. P. White as group chief executive, when he retires next

year.

Dr. Keith Bright has been projected to the Board of LONDON AND CONTINENTAL ADVERTISING HOLDINGS. Dr. Bright is a director of Associated Biscuit Manufacturers and the Exchange Telegraph Company.



Lumpur branch of European Asian Bank, a Midland associate company. Midland Financial Services is headquartered in Toronto. It opened an office in Vancouver last year and has

Mr. John N. Clisby has been appointed group sales director of TUDORGLASS HOLDINGS, of

AMPEX place of Mr. Kenneth C. Christensen, who has retired Mr. Dobey retired last year from Wells Fargo and Co. and its principal subsidiary, Wells Fargo

ioined the London Advisory Committee of the BRITISH BANK OF THE MIDDLE EAST.

Mr. H. P. Foxon, deputy chief executive of Inchape and Co., has been appointed to the London Advisory Committee of the HONGKONG AND SHANGHAI BANKING CORPORATION.

Mr. Jim Brown, circulation director of the Manchester Even-ing News, is rejoining THOMon November 3 as group circu- been elected chairman of PAN lation director.

AM WORLD SERVICES, INCOR-

director of its subsidiary, RALPH BOWEY AND SON. The

Mr. John A. Churchward has become managing director of HARRIS AND DIXON (SHIP-BROKERS) in place of Mr. Harry Howell, who has retired

Eight appointments have been made to the North. West Regional Council of the CON-FEDERATION OF BRITISH INDUSTRY for a three-year term. They are Mr. Harry Harrison (Simon Engineering), Mr. F. A. Parker (British Vita). Mr. C. W. Newton (Turner and Newall), Mr. J. J. Hallam (Allspeeds). Mr. Bob Ing (Valor), Mr. G. Clegg (Capper-Neill), Mr. Charles Mustard (Alliance Smurfit Cases) and Mr. K. A. Allen

has been appointed to the Board term commercial plans, policies of BRITISH INDUSTRIES AND and strategies for the telecon-GENERAL INVESTMENT munications business of STC. TRUST, a company managed by

Management.

A dubious—and clearly costly—blessing blamed for counting any bless-education.

recent meeting of the Standing Conference of Employers of Graduates, one such blessing lies in the job-finding record of people leaving United Kingdom universities and polytechnics at the end of undergraduate courses leading to degrees or higher diplomas.

The job-prospects for these new "graduates." as estimated during the meeting at Cambridge University contrasted starkly with the Government's figures published a few days ater, describing the position of youngsters leaving full-time education at lower academic levels. The statistics showed that 265,000 pupils under 18 equivalent to roughly a third of those who left school this summer—were still unemployed in mid-August. By that time, of course, many would not have C. ROWBOTHAM AND SONS (INSURANCE). Mr. John kelile Heber-Percy has been appointed a director of C. ROWBOTHAM AND SONS less represented a 44 per cent increase on the figure for 1979.

The summer's new graduates.

on the other hand, were reportedly encountering a largely sustained market for largely sustained market for only as "others."

thing, the number of science rose by towards a quarter. For be worsened by the reduced their services. Certainly, it was The table suggests that the people believed to be unemanother, the annual output of inflow of science people into stated, there was an "immeeting's phrase "an imbalance ployed at December 31—about less employable arts-side graduteaching either directly or, balance of supply and demand" six months after graduating—ates grew considerably faster apparently, by way of training than the other side's output. The courses. deputy managing director; and Mr. R. R. T. Kittow, sales director; at Marley Floors Mr. M. Gray is made director.

A NATION dismayed by record other numerate graduates from unemployment can hardly be the science side of higher ing. And according to statethe supply from the campuses. ments made publicly at the For the less or non-numerate people from the other side, who had taken arts or social studies, the demand was weaker. But there were still openings for them in such fields as sales, and computer and financial work especially in governmental organisations. And while the position was thought likely to worsen next year, there was no open expectation at the meeting that the deterioration would be

> An external observer might, fident view is inflated by a dubious optimism.

Witness the table, which from social studies and courses denoted by the official statistics

however, be forgiven for sus-pecting that this relatively con-

broadly compares the movements of people awarded bachelor's degrees and higher diplomas by the universities and polys in 1979, with the record their 1975 predecessors. These graduates are divided into "science-side students" including those from engineering and technology, and "arts-side" students including those

WHAT HAPPENED TO NEW "GRADUATES" FROM UNIVERSITIES AND POLYTECHNICS Arts-side students Science-side students Known to have entered regular UK employment in: 2,176 126 522 78 + 0.5 + 61.3 + 13.1 + 6.8 -- 6.9 + 57.1 + 57.0 1,657 scientific R & D environmental planning routine scientific work 49 273 807 286 2.416 767 760 1,792 797 628 2,188 797 4,271 971 968 2,123 2,184 1,975 production workbuying, marketing and sales management services - 5.4 - 51.1 - 3.4 + 19.4 financial work legal work legal work information work personnel and welfare work teaching and lecturing medical, and other work

30,703 39,197 + 27.7 *Fair comparison prevented by inclusion in 1979 figure of university medical graduates. Fair comparison prevented by inclusion in 1979 figure of former teacher-training college students.

20,931

2.339

1.118

+ \$1.6 11,107

-27.0

+ 27.2

6.6 19.9

2,951

9.943

1.972

Total entered UK employment

training
Overseas students returned home, and

miscellaneous

difference between the science period, whereas the correspondside and the arts side. For one ing number of arts-side people

particular imbalance can only be worsened by the reduced

Managing Director

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mechanical construction and engineering industries.

19,007

3,358

9,341

4.204

3.418

2,802 7,233

+ 71.1

+ 44.1 + 73.3

total of 1979 graduates believed unemployed at December 31, which the table shows as 4.168. But this leaves out of account any joblessness among the 11.332 people whose whereabouts were simply unknown. It seems best to assume that unemployment among the unknowns was the same as among the knowns, which results in a total rate of 5.4 per cent.

Computing a comparable rate for under-18s who left education during last year, is made difficult by the lack of any count at December 31. But the mid-December figure was 39,200, and the mid-January count was 45,900. The total of under-18 leavers in 1979 was roughly 850,000, of whom at least a fifth probably left before the summer. But even if all had left at the same time as the graduates in the summer, and the full 45,900 had been jobless at December 31, the comparable unemployment rate for the school-leavers would have been only the same as the graduates' rate at 5.4 per cent.

So it seems that, on the latest figures available, the employment position of graduates is not a blessing. It is just another problem. And since the higher education of each graduate costs the roughly an extra £12,000, it is a particularly expensive prob-

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12th September, 1980.

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CO., LTD.

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Income before Taxes Provision for Taxes

(Yen Million

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1,169

2.461

19.665 1.463

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Mr. A. G. Coates has been appointed executive vice-president of MIDLAND FINANCIAL SERVICES, Midland Bank's subsidiary in Canada. He was pre-viously manager of the Kuala

Mr. A. G. Coates

recently opend an office in Edmonton

Mr. P. S. P. Knight, group secretary of James Halstead (Holdings), has been appointed to the Board of member com-pany TITAN LEISURE GROUP.

replaces Mr. D. C. P. Carey, who has resigned. The company is part of the chemical division of Morton Norwich Products Inc., Mr. James K. Dobey has been elected to the Board of AMPEX CORPORATION in Mr. Kelth Patterson as chief executive of MAT TRANSAUTO. He joints MAT from Carreras

Mr. Kenneth Bradford, formerly a director and general manager of the British Bank of the Middle East, now chairman's representative - BBME. has

appointed Mr. Richard Archer 2 appointed sales director of DUFAYLITE DEVELOPMENTS.

a member of the Hanson Trust Group. He succeeds Mr. Tony Bryant-Fenn who leaves to join the Board of another Hanson Trust company. SON REGIONAL NEWSPAPERS

Mr. Ronald R. Bowey, a direcfor of the Bowey Group, has been appointed joint managing vice president finance and corporate planning, succeeds Mr. James H. Maloon, who earlier this year accepted a position with another firm. other joint managing director of that company is Mr. John F. PANY of Dalkeith, has appointed Mr. A. J. Younger as marketing

UNITANK STORAGE COM-PANY has made the following appointments from October 1: Mr. Peter Hughes, director, sales and development, Mr. Rod Mc-Gregor, director, operations and engineering and Mr. Alex Yabsley, director, finance and administration. At the same time Mr. Gordon Watson will become vice-president of Unitank Inc., based in the U.S.

from that position. Mr. John C. Robbins and Mr. Danny M. Stewart are now the joint deputy managing directors.

(J. Bibby and Sons). ...

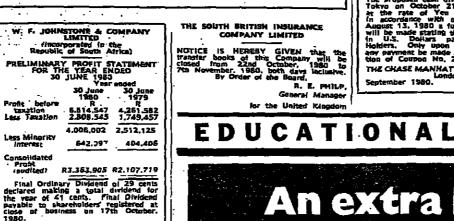
ville, a director of Hoare Govett dart will be responsible for long-Montagn Portrôlio

Mr. Richard Mitford Barrett CINEMAS.



Mr. Richard De La. B. Gran-the management board, Mr. Hud-

Mr. Harold A. McGhee has been appointed to the Board of CALEDONIAN ASSOCIATED



INTERNATIONAL COMPANIES and FINANCE

\$235m takeover by General Electric Franco

BY PAUL BETTS IN NEW YORK

GENERAL ELECTRIC (GE). the leading U.S. electrical and electronics group, has taken another major expand its operations in the strengthen its presence in the to manufacture. semiconductor field.

The group is to buy for about \$235m Intersil, a Californian transfacturer of integrated circuits with sales of \$140m last

GE and Intersil announced at the week-end that they had signed an agreement in principle whereby the Californian semiconductor manufacturer would become a wholly-owned subsidiary of GE which will pay \$35 for each of Intersil's out-

standing 6.7m shares. GE said a key element in the

Rockwell may

By Ian Hargreaves in New York

is currently producing 11 Com-

prop business aircraft and ?S

per cent of the medium size bracket, where it competes

most strongly. Rockwell said yesterday that it intended to

step up production to 13 units

per month early in 1981. Mr. Bastian Hello, head of

Rockwell's aviation interests.

also said that the company would only contemplate selling

the buyer undertook to main-

the Commander range.

Space Shuttle programme.

Technologies

By Our Financial Staff

suit terminated

THE JUSTICE DEPARTMENT

has filed a proposed consent decree to end its anti-trust

suit against United Tech-

making an application for any

sell business

iets division

prop business iets.

microchip market.

about ten years ago, the largest U.S. electrical equipment manu- activities in this sector. facturer is now attempting to correct what is generally regarded as having been a strategic error by investing heavily in this expanding electronics sector.

glomerates, GE is seeking to trial electronics facilities at build up its in-house capabilities Chalottesville in Virginia, while in this sector, not only to ensure itself with adequate sup-planned to build a new micro- overall sales.

GE's latest drive in the elec-

in new electronics manufactur- search and ing and development facilities, processing. Last month, it announced a

proposed merger was Intersil's plies, but also to guarantee the electronics centre at North advanced technology in inte-grated circuit design, process designed equipment which the Park with an initial investment and manufacturing, thus reflect- large volume producers in this of \$55m which could grow to step in its current efforts to ing further GE's intentions to field are increasingly unwilling more than \$100m over the next

Earlier, GE announced a \$50m Although GE pulled out of tronics business has been expansion of its corporate the integrated circuit market eloquently reflected in a series research and development of other moves to expand its centre at Schenectady, New York, of which more than half Excluding the latest deal with is to be devoted to building Intersil, GE in recent months a modern electronics laboratory has committed more than \$150m for electronic materials re-

The company has indicated Like other major U.S. con- \$31.3m expansion of its indus- that by the mid-1980s the electronic content in GE's diversified product line would the week before it said it affect about two-thirds of its

Ruling on Trustco offer near

THE ONTARIO Supreme Court been provided in the bid authorities. The department yesterday was expected to rule circular, that it was illegal and said that Campeau had not on a request by Royal Trustco. non-enforceable, and that acceptiled an application for yesterday was expected to rule circular, that it was illegal and on a request by Royal Trustco. ROCKWELL International, the Canada's largest trust company. Canada's largest trust company, of for an order halting a C\$413m of Royal Trustee shareholders (US\$356m) bid by Campeau would breach U.S. law and lead Corporation, the real estate to forced divesting of Trustee's of motor and aerospace components, is considering the sale of Corporation, the real estate a division which makes turbodevelopment group.

The C\$21 a Share bid for The company said yesterday that it was holding discussions with "several U.S. companies" Royal Trustco common and C\$29.93 for the preferred expires this Friday. Campeau is controlled by Mr. Robert Campeau, an Ottawa construcabout possible sale of the Oklahoma-based division, which tion and real estate millionaire mander aircraft per anonth. The division employs 900 who says he wants a minimum 54 per cent of Royal Trustco as people and claims 12 per cent of the U.S. market for turboan investment.

Royal Trustco was seeking an order restraining Campeau from going ahead on the grounds that bank without obtaining not be extended to all other insufficient information had approval of the state banking Trustco shareholders.

non-enforceable, and that accep-tance by more than 25 per cent bank subsideries in Florida. For the past 10 years Trustco has been building up its bank-

ing interests in Florida, which has a large Canadian popula-tion. It owns seven Florida bank subsidiaries. Late last week, the Florida Department of Banking issued a cease-and-desist order against Campeau, saying it was illegal for anyone to acquire control of a Florida state-chartered

filed an application for approval. Five of the seven Florida banks owned by Trustco are state-chartered. Meanwhile, the Ontario Securi-

ties Commission yesterday opened public hearings on an agreement under which Campeau would buy a 5.4 per cent interest in Trustco from a Toronto real estate holding company, Unicorp Financial, in exchange for Carreau convertible preferred. The issue is whether this agreement forms part of the Campeau takeover bid for Trustco, and if so. whether the same offer should

Tosco pays \$140m for refinery

SUN COMPANY, the U.S. oil its general aviation division if group which acquired Seagram tain current product develop- Company's U.S. oil and gas ment plans. The division is interests for \$2.3bn, has agreed about to unveil a third type in to sell a refinery to Tosco Company's U.S. oil and gas Corporation for \$140m.

Aerospace, of which the The 48.500 barrel per day general aviation division is a refinery, at Duncan. Oklahoma, part, accounted for 26 per cent will boost the capacity of Tosco. of the company's 1979 sales the second largest independent total of \$6.2bn. Among Rock refiner in the U.S., by about well's aerospace activities is its 23 per cent to 261,500 barrels role as main contract for the per day.

Tosco said the refinery could process heavy, sour crudes and therefore fitted in well with its policy of concentrating on less desirable, more plentiful more plentiful

The acquisition is also said the sale was consistent with intended to enhance oil shale development plans.

Tosco has a 40 per cent interest in the Colony oil shale project in Colorado, Tosco said vesterday it expected to apply for a Federal loan guarantee to assist in the construction if its share of the project. Exxon, which holds the remaining 60 per cent of the project, has estimated its spending on the project at \$1bn.

The Duncan refinery represents less than 10 per cent of gained extensive unexplored Sun's U.S. refining capacity. It areas in the U.S.

the its objective of reallocating group's ability to go-ahead with assets to give emphasis to primary primary energy resource development and, in its refining operations, to giving emphasis to lubricants and petrochemicals while consolidating its fuels

business. Sun, which includes the Athabasca tar sands oil extraction project in its interests, bought reserves estimated at 120m barrels of oil and 300bn cubic feet of gas in the takeover from Seagram of Texas

Overseas expansion by Huffy

BY TERRY BYLAND

United's acquisition of about 50 | leading U.S. bicycle manuissue coincides with a major chief operating officer, said in per cent of Corrier, a leading facturer, claimed yesterday in sortie into export markets by London yesterday that the commanufacturer of heating and air London that its production of Huffy which does not at present pany was in the process of conditioner systems.

3.8m units last year had made sell any unit outside the U.S. setting up sales links overseas The proposed decree would it the world leader.

guaranteed debenture at the third to 4m units with the opennecessary to practise the patent lits newly formed subsidiary plant in Oklahoma.

The suit sought to block HUFFY CORPORATION, the Huffy International N.V. The Mr. H. Shaw, president and

require United, for a reasonable The company announced a In May, the group increased fee, to grant a licence to anyone \$10m convertible subordinated its production potential by one In May, the group increased major problem.

setting up sales links overseas but that tariff barriers were a

In fiscal 1980, Huffy earned patent, for the related know-how weekend. It will be issued by ing of a new manufacturing \$8.9m or \$2.20 a share on sales necessary to practise the patent its newly formed subsidiary plant in Oklahoma.

This announcement appears as a matter of record only.



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Samuel Montagu & Co.

Morgan Grenfell & Co.

September 10, 1980

German

tyre merger called off

By Our Financial Staff PLANS FOR Continental Gummi Werke, the West German tyre group, to acquire a controlling shareholding in Kleber-Colombes, the lossmaking French tyre company, have fallen through. In a terse statement, Con-

tinental Gummi gave no reasons for its decision to pull out of the deal which would have created a major cross-frontier tyre group with 26 manufacturing plants and an annual turnover of around

"In order to protect the interests of both companies and in view of the competi tive situation in the European rubber industry no further comments will be given," the German company declared.

When announced in June this year, the deal was to have involved Continental Gummi in the purchase of Michelin's major shareholding in Kleber. This stake plus shares owned by interests close to Michelin, which is the largest tyre group in France, would bave given Continental Gummi around 64 per cent of Kleber at a price of around

FFr 97m (\$24m). Both Continental Gummi and Kleber have been involved in re-organisation of the European tyre industry in recent years. In the middle of 1979, the German group acquired the European operations of Uniroyal, the troubled U.S. tyre maker.

First sterling **Eurobond** for French bank

By Francis Ghilès THE FIRST sterling-denominated Eurobond for a French bank, Banque Nationale de Paris, was awaiting its launch last night through a group of banks led by Morgan Grenfell, BNP and Kleinwort Benson. The amount of this 101 year

issue is £15m and the indicated coupon 13½.

The bonds, which should be priced at par, are redeemable at the borrower's option from 1986.

Most seasoned sterlingdenominated bonds were steady yesterday, though some issues eased slightly on news of the new issue. Sterling convertible Euro-

honds, meanwhile, continue to attract strong support. The 8 per cent Kollmorgen bond to 1995 was trading at 108-109 while the 8 per cent Orient Finance paper was quoted at

In the dollar sector, the supply combined with a weak New York bond market to ticularly at the shorter end of the maturity spectrum.

A new issue is being arranged in this sector, a \$20m 15-year private placement for the EEC, which carries a coupon of 13 per cent, through Hill Samuel. This "bought" deal is being placed with four other banks, aside from the lead manager: BNP Banque Internationale a Luxembourg. Bayerische Landesbank and the Midland Bank Group.

Investors will benefit from a ten-year call protection on the notes which will be priced at par. Proceeds of the issue are earmarked for project lending under the terms of the Ortell facility.

Bond prices in the hard currency sectors were also under pressure. The DM 150m public bond issue for the Republic of Austria was priced at 991 by the lead manager, Dresdner Bank, insbtead of the indicated price of par. If the 11 per cent selling group commission is taken into account, investors get a yield of 8.57 per cent. Despite this, the bonds fell to a more than one point discount from their issue price during the first hours of trading yes-

terday afternoon.
Only two months ago, the same borrower was able to raise money in this sector on a yield slightly below 8 per cent. Since then, yields on prime names have climbed by more than 50 basis points. Svenska Handelsbanken is

to raise \$20m through an issue of floating rate certificates of deposits in Singapore, believed to be the first such issue in that market by a nonresident hank Terms provide for interest

Buhrm n-Tetterode 7 90 Caisse Nat. Tele. 44, 83 Copenhagen 42, 91..... Council of Eur 5 89 Denmark 54, 90

Elet. de France 4% 89
F. G. H. Hypo. 8k. 6 90
Finland Rep. of 5% 90
FOZB 44 89
Hilti 44 91
Int. Amer. Dev. 4% 89

Int.-Amer. Dev. 47 99 Int.-Amer. Dev. 7 90 Int.-Amer. Dev. 7 90 Int. Dev. 7 90 Int. Dev. 6 90 In

OKB 6 90 Oslo, City of 44 91 Philips Lemps 54 92 Sakisui Pre, Mms. 6 90 Shikoku Ef. Pwr. 44 89

Belli Cenada 10% 86 CS CIBC 13½ 85 CS CIBC 11½ 85 CS

Change on Change on S2¹2, 83¹4, -0¹3, -0¹4, 12.49 86¹5, 100¹5, 0 -0¹5, 13.41 85¹5, 96¹5, +0¹5, -0¹5, 12.63 83¹5, 83¹5, -0¹75, -0¹75, 13.47 12.57, 1

to be paid at a margin of & per cent over six-month Singa-pore interbank rates for U.S. dellars. The three-year issue is priced at par and lead-managed by Nordic Bank's Singapore branch.

Mexican bank seeks \$300m By Our Euromarkets Staff MEXICO'S Banco Nacional

de Comercio Exterior has awarded a mandate to intermex to raise \$300m for seven years on terms that mark a further softening of conditions for Mexican state borrowers.

The credit, a bullet which will be repaid in fall at maturity instead of in instalments during the life of the loan, hears a margin of only l per cent over Libor. Recent public sector Mexican credits have carried split 1-1 per cent margins. BORROWER PROFILE

Happy ending in sight,

THE Drawn out renegotiation Bankers close to the agree factors in negotiating the agree of Nicaragua's foreign debt ment argue strongly, however, ment Interest payments are to seems to be heading for a happy that it is in Nicaragua's own be made on a flexible basis to end. While it is too early to best interest to accept commer- avoid placing undue burdens on arrive at any specific consensus, cial rates. As it stands the the country's limited foreign initial reactions to the agreement is already a small exchange eash-flow.

In the country's limited foreign agreement is already a small exchange eash-flow.

In the country's limited foreign agreement is already a small exchange eash-flow.

Some bankers, however, national banks are understood national lending to Nicaragua. The limited foreign agreement is already a small exchange eash-flow.

to have been positive. Several Once the country demonstrates banks have indicated they will its ability to meet the condiaccept the proposals and none tions of the agreement, new has yet turned them down. short-term trade financing could has yet turned them down. The proposals, agreed in become available very quickly, principle between the Sandi- A crucial test in this respect nista Government and a steer- for Nicaragua will be whether ing committee of 13 major banks, cover \$582m of Nicara-

guan public sector debt con-tracted before the downfall of the Somoza regime in July 1979. The debt is to be rescheduled over a period of 12 years at an initial margin of 1 per cent above Libor rising in stages to It per cent. A five-year grace period is included.

Consolidated into the \$582m is unpaid interest between July 1979 and the end of this year calculated on the basis of a per cent margin over Libor. While the agreement has been circulated to a very large number of banks, it does already, of course, have the endorsement of the 13 members o. the steering committee which together hold 52 per cent of the

One member bank, Citibank, has claims amounting to \$56m, or nearly 10 per cent of the total set for rescheduling. The other members of the steering committee are: Bank of America, Bankers Trust, America, Trust. Deutsch - Südamerikanische, First Chicago, Lloyds Bank lation of 2.5m Gross national or three months ago when International, Manufacturers product fell 37 per cent last many bankers doubted that any Hanover, Merban Corporation, Merrill Lynch, Royal Bank of

Canada, Sanwa Bank, Swiss Bank Corporation and Wells important facet of the agreement is that it involves rescheduling at commercial rates. If this is a source of satisfaction to the banks, some might argue that it represents a defeat for Nicaragua, which had been holding out for substantially softer terms and at one stage wanted to reschedule the debt until

A crucial test in this respect

it can meet the first payment of \$20m in interest, which is due

International banks seem likely to accept the terms negotiated with the Sandinista Government

on Nicaragua's publicdebt. William Chislett in Mexico City and Peter Montagnon in London report.

nomy. The country essentially is rich in natural resources and has a large untapped economic potential, especially in agricul-

year. Hardcore unemployment satisfactory solution to the is estimated at 28 per cent of country's debt problems was the workforce.

When former President Anastasio Somoza left in July For these creditors a very 1979, foreign exchange reserves important facet of the agree-were down to only \$3.5m. Now they have recovered somewhat. According to Sr. Affredo Alaniz, June, but the country is expect-

of \$65m in 1979.

Bankers close to the agree factors in negotiating the agree-

tary Fund in Nicaragua. The length by the Sandinista regime, partly because of bilter memories associated with a fund credit of \$67.5m granted to the country only a few weeks before Somoza fell. The credit was construed in some quarters as

The banks feel that further any balance of payments financial assistance will be essential for Nicaragua to re-kept up to date with quota vitalise its war-ravaged eco-payments to the fund

Meanwhile, not all the country's foreign debt is covered by the agreement. Still to be resolved is what happens to loans contracted by companies formerly in the hands of General Somoza himself and which have now been nationalized. fised. The same applies to loans contracted by Nicaraguan banks nationalised by the Sandinistas, and those by other private companies.
The U.S. investment banking

firm. Leslie Weinert and Co., financial advisers to Nicaragua, estimates that these three categories together account for a further \$200m-\$250m in forcign debt. Discussions on this debt But the economy was shat-tered by the fighting, which took the lives of 35,000 out of a popu-lation of 25 cm. Control and the control of th

> One banker close to the present agreement described it as being one in which there-are no winners and no losers.

Reaching this commitment has involved concessions from the central bank president, both sides, always within a reserves stood at \$144m in framework of what is commercially viable. Doubtless the ing a current account deficit of Nicaraguan experience thus \$249m this year after a surplus provides a lesson that will be drawn on in future if other The steering committee did Third World debtors also reach attempt to take account of these the brink of default.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Europond prices published

	on the second Monday of		Closing prices on September 15
	U.S. DOLLAR	Change on	Tardom Con. 1312 85 CS 38 9812 70014 -012 -014 13.48
		d Bid Offer day veek Yield	M. Bk. Pamk. 9 91 EUA 25 94 964 0 +04 980
	Brit. Oxygen F. 104, 90 50	84', 85', -0', -0', 13.56	- SOFTE 84 89 EUA 40 884 90 +04 +04 10.15
	CECA 111 88 100	947, 953, -03, -07, 12,49	U Ek. N-wy 51, 90 EUA 18 991, 1001, 0 -01, 9 50
	Citicorp O/S Fin. 10 85 300	90 2 91 -02 -02 12 30	Algamena Bk. 84 84 Ft 75 857, 96 0 -07, 9,58
	Con. Illinois O/S 94, 86150	89 891, -01, 0 12.44	Algemene Bk, 104 87 Ft 400 994 997 - 04 - 04 10 31
	Denmark 113, 90 100	92°, 53°, -0°, -0°, 13.03	BM. Mees & H. 10 B5 Fi 75 99 100 0 - 14 9.99
	Dome Petroleum 131, 92 50	101 1015 - 05 + 05 13.25	Haineken NV 10 87 Ft 75 99% 100% +0% -0% 19.01
	EEC 11 95 75	87° 87° -0° -0° 12.90	Norway 84 84 FI 100 . 95 9612. 0 -01 9.40
1	EEC 11 95 70	87 - 88 - 0 - 0 - 12.88	Philips Lamps 81, 84 Ft 75 957, 961, +01, 0 9:63
ı	EIB_114 92 80	907 913 - 03 - 02 13.26	Aero Paris 134, 87 FF; 150 985, 1005, +03, 0 43,08
	EIB 137, 90 100	1023 1034 -04 -04 13.17	Air France 11 84 FFr : 120 96 97 -04 -04-12-16
١	Eksportfinans 11% 87 50	95 95-2 -0-2 -0-2 12-34	CECA 144-86 FFr 150 - 1947 1057 - 01 - 04 12.78
-	Eksportfinans 9 87 75	867, 871, -01, +01, 12.38	Finland 11 84 FFr 85 93% 94% +0% 0 12.92
í	Elec. de France 10 88 125	-88 ³ 88 ⁷ -0 ³ 0 12.33	Finland 1112 89 FFr 70 8212 9312 -012 -012 12.84
ŀ	Export Dv. Con. 124 87 100	1003-1003 -13 -13 12.62	Gaz de France 11 84 FFr 150 947, 957, -01, -01, 12,48
-	Export. Dv. Cpn. 972 86 150	90 90 -04 0 12.05	IBM France 117-84 FF: 120 95 96 -0's -0's 13.27
ı	Federal Dev. Bk. 124 85 75	10012 101 +014 +014 11.99	Renault 94 85 FF1 100 874 884 -04 -05 13.17
Į	Fin. Exp. Credit 10 2 85 50	924 934 -04 +04 12.50	Solvey et Cie 94, 87 FFr 125 844, 864, -04, -04, 13.30
ŀ	Finland, Rep. of 92 85 100	874 875 -04 -04 12,80	Utd. Mex Sts. 14 85 FFr 150 1004 1014 +04 0 13.61
ı	Ford O/S Fin. 121, 85 250	971 977 -01 -02 13.29	Beneficial Fin, 14, 90 £ 20 98, 98, -04 -04 14.41
1	Georga Weston 13 ¹ 2 87 30	993 997 - 04 - 04 13.55	Citicorp O/S 131, 90 £ 50 981, 987, -01, -04, 13,73
1	GMAC 0/S Fin. 11 84 100	\$55, 964 - 04 - 04 12.26	EIB 111, 91 E 25 89, 90, 0 +11, 13,30
1	.GMAC. D/S Fin. 131 88 100	102- 10300- 12.46	Fin. for Ind. 121, 89 £ 30 941, 961, -01 -01 13.48
ş	Goodyear O/S 121 87 76	972 98 -02 -85 12.99	Fin. for Ind. 143 88 E 20 1014 1014 -04 -03 14.11
Ī	Rudson's Bay 11 ¹ 2 90 75	93 93½ ~ 0½ +0½ 12.72	Gen. Elec. Co. 121, 89 £ 50 951, 961, 0 -01, 13.25
ı	IBM Canada 107, 85 50	95 95 2 - 02 - 02 11.83	Paugeot SA 14 90 £ 23 8774 981, -01, -11, 14.35
ì	ICI Fin. Ned, 11 83 100	574 574 -04 -04 12.08	Rothschild 14% 90 £ 12 96% 99% -0% -0% 14.46
1	Int. Harvester 12's 85 115	981, 981, -01, -01, 13.20	Swed. Ex. Cr. 154 85 C 20 , 1024 1034 0 +04 14 20
1	McGraw 13 ¹ 2 85 75	994 1004 -04 -04 13.48	Banobres 84 30 KD 7 193 931, 0 0 9.33
f	NorWest Ind. 134 87 50	991, 100 -01, -01, 13.64	CCCE 81 91 KD 10 194 941 0 0 8.98
1	Nova Scotia- 10% 90 50	911, 917, -01, -01, 12.25	Sonatrach 85 90 KD 12 192 925 0 0 9.77
ı	OKB 10. 85	923 927 -03 -1 12.08	Akzo 914 87 Luxfr 500 331 941 0 +01 10.56
ı	Pembroke Capital 95 87 100 Pemex 11 ¹ 2 88	1874 88 -04 -04 12.37	Eurstom 8 87: LeixFr 500 87's 88's 0 0 10.53
ı	Quebec Hydro 11-2 92 100	92½ 92½ -0½ -0½ 13:04 91½ 92 -0½ +0½ 12:88	Euratom 94-88 LuxFr 500 . 97 . 98 0 . 0 10.23
ł	Repsteal O/S 112 88 100	874 87'5 -0'2 -0'5 14.20	EIB 91 88 LuxFr 500 977 987 0 0 10.05
ı	Roylesse Ltd. 111 85 50	961 961 -01 0 12.23	Volvo 5% 87 LuxFr 500 96 97 -0% +0% 10.45
ı	SNCF 12* 85 50	1004 1007 -05 -04 72.15	SOLTING DATE
ſ	Swed, Ex. Cred. 121, 85 40	1984 994 -24 -24 12.75	FLOATING RATE NOTES Spread Bid Offer C.dte C.con C.vid
l	IJB Finance BV 11 90 50	88 89 0 -0413.08	
ſ	Unilever NV 93 90 100	844 844 -24 -04 12.69	Allied Irish Etc. 51, 87 O4, 98, 981, 2/1 10.44 10.82
ŀ	World Bank 9's 85 200		Bank of Ireland 54, 89 104, 979, 984, 21/11 114, 11.81 Bank of Tokyo 54, 89, 104, 97, 974, 25/10 94, 9.51
ł	World Bank 104 87 300	914 914 -04 -04 12.17	
1			8arclays 0/S inv. 5 90 0% 97% 98 13/12 9% 9.85

ı	SNCF 124 85 50 1004 1007 -04 -04 12.15	.1 .	FLOATING RATE
ı	Swed, Ex. Cred. 121, 85 40 1984, 994, -21, -21, 12.75	1.	NOTES Spread Bid Offer C.dte C.cpn C.yld
J	IJB Finance BV 11 90 50 68 88 0 -04 13 08	·l	Allied Insh Ek. 54 87 04 98 98 2/1 10.44 10.62
ı	Unilever NV 93 90 100 844 845 -24 -04 12.59	ł	Bank of Ireland 54 89 10% 97% 98% 21/11 11% 11.81
ı	World Bank 94 85 200 914 914 -01 0 12.18	1.	Bank of Tokyo 54, 89. 40% 97 971, 25/10 91, 9.51
ł	World Bank 10% 87 300 91% 91% -0% -0% 12.17	١٠.	Barcleys O/S Inv. 5 90 04 974 58 13/12 94 9.85
Į	Average price changesOn day -02 on week -04	1	Pares Ph 445 P 00 401 000 00 00444 401 40 50
I		1	Bergen Bk. A/S 8 89 104 974 98 29/11 1214 12.53
I	DEUTSCHE MARK Change on	1.	Bibao Int. NV 54 SQ 04 963 974 29/11 10:06 10:37
I	STRAIGHTS Issued Bid Offer day week Yield	1	Citicorp O/S F. 83 \$40 39% 99% 23/11 11.44 11.49
I	Akzo 9 90 125 100 101 - 02 -14 8.85	1	Citicorp O/S F. 84 #0 98% 99% 30/9 11.94 12.06
Į	Australia 84- 90 250 1005-1015 0 +05 7.96	ŀ	C. Itch 54, 87 04, 994, 997, 18/9 19.44 19.51
١	BFCE 74 87 190 97 974 -04 -14 8.28	1 .	Co-operative Bk. 6 86 04 981 887 75/11 11.44 11.63
ì	BFCE 84 95 100 97% 98% -0% -1% 8.35	4	Creditanstalt 51, 91\$\$00, 97% 981, 14/9 9.44 9.62
I	Brazil 8 87 150 - 88 2 89 2 - 0 - 1 - 10.33	Ŀ	CRI 34 60 904 100 1804 18710 184 18.08
I	Council of Eur. 74, 89 100 933, 941, +04 -05 8.22-	Ţ-,	GZB 55 39
I	Denmark 7, 86 100 98 984 -04 -04 8.24	11	Jugobanks 8 89 07, 911, 931, 23/11 111, 12.60
I	Denmark 84 92 100 99 994 -04 -04 8.33	l.	ind. Bank Japan 34 87 04 994 984 15/10 184 18.62
ł	EEC 74 94 225 967 964 -01 -02 8.33		Uayds Earofin 8-^- E 04 96- 97 3/1 154 16.28
1	Finland Rep. of 8 86 150 987, 987, -07, -07, 5.30		LTCB Japan 54 36 04 984 987 13/72 94 9.76
I	berduero SA 9 SO 100 394 387 -01 .8 9.07 -		LTEB Japan 5, 89 04 97, 98, 7/12 10, 10.32
Į	Kobe, City of 74 89 150 934 944 -01 -014 8.08		Mins. Han. 0/5 5- 94 +0- 97- 98- 30/11 12- 12.39
i	Kobe, City of 8 90 100 991, 100 -01 -01 8,03	∤ .⋅	Vidlend Intl. Fin. 5 89 04, 974, 98 25/1 9.69 9.91
١	Mt. Bk. Denmark 8 2 90 150 98 99 - 04 - 04 8.85		Midland Intl. Fin. 54 92 04 974 984 5/12 10% 11.10
ļ		l- :	Nacional Fig. 61 86 . 02 971 98 25/11 9.69 9.91
Ì		"	Nat West 54 84 802 99 992 11/10 182 18.77
l	OKB 7½ 89 100 '94'2 95'4 -6'2 -0'2 8.20 OKB 8½ 92 150 98'2 99'4 -0'4 -0'2 8.38	ļ .	Nippon Credit 61, 86 61, 971, 98 12/1 9.56 9.78
I	Oslo, City of 82, 90 90 1024, 1024, -04, -07, 8.36	Į	Nippon Credit 52, 87 104 987 987 8/11 107 11.04
ļ	Sweden 92 87 200 105% 106% -07g -07g 8.50	ı	Royal Bk. Scott 34: 94 540% 98% 99% 11/10 9.31 9.42
ı	World Bank 8 90 700 971, 961, -01, -01, 8.32	ŀ.,	Soc. C. de Bode, 64 67 04 984 994 3/10 20.05 20.29
ı	World Bank 87 90 250 96 96 2 -04 -11 8.46		Standard Chart 5, 90 04 99, 100 6/9 174 17,29
l	World Bank 10 85 150 1064 1074 +04 -02 8.37	١. ـ	Svenska Hndistrk, 5 87 01, 98 981, 15/1 10 10.18
ĺ	World Bank 10:30 200 105 107 174 -02 8.37	J	Sweden 91
١	Average price changes, On day -0% on week -0%	1 · ·	Williams & Glyn 52 91 04 982 984 14/9 181, 12.71
l		Ι.	Bq. S. d'Aig. 44, 89 SF 04 189 90 18/12 64 6.84
ı	SWISS FRANC		Average price changesOn day 0 on week +0.
į	SWISS FRANC Change on STRAIGHTS Issued Bid Offer day week Yield		
ŀ	Austria Reg. of 5% 90 100 "98 98", +0", -0", 5.61	!-:	CONVERTIBLE - City City Chg.
ľ	Bergen, City of 4% 91 40 1915 92 -04 -15 5.78	ļ · -	BONDS date price Bld Offer day Prem
ſ	Bergen, City of 6 90 50 102 1021, 0 -01, 5.69	ı	AGA Akr bolsg 7% 8910/79 145 1116 117 -2 -7.46
ļ	RMW Overteas 44 91 100 4904 91 404 -04 5.38	† •	A) momoto 74 85 2/80 615.5 1231-1241 +017-2.66

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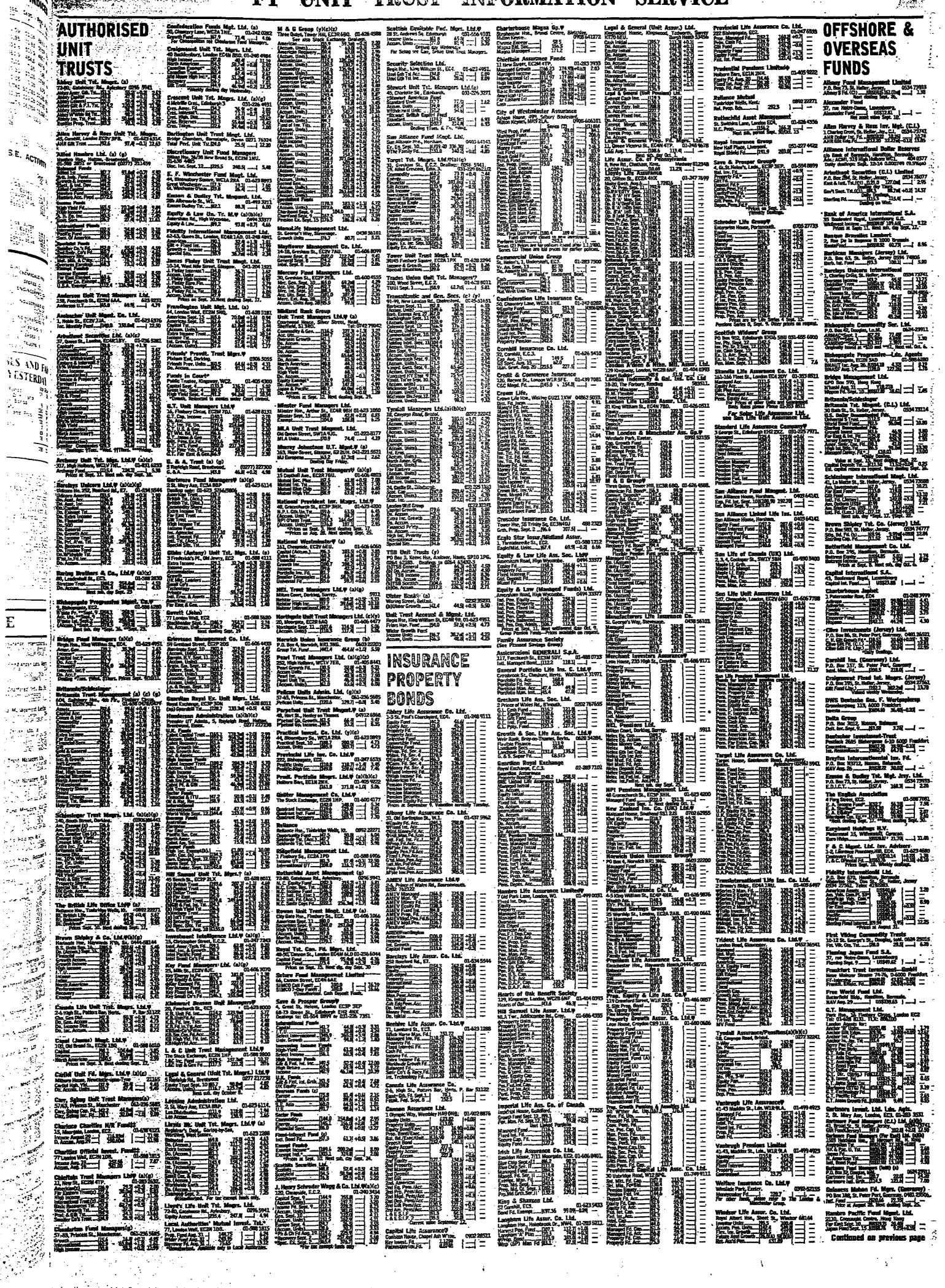
't Only one market meker supplied a price. Straight Bonds: The yield is the yield to redamption of the mid-price; the amount issued is in millions of current. mid-price; the amount issued is in millions of currency units except for Yan bonds where it is in billions. Change on week Change over price a week earter. Teating flate hotes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte Date next coupon becomes effective. Spread Margin above (it-morth offered rate (f three-month; Sebove mean rate) for U.S. doffers. C.cph = The current coupon. C.yld = The current yield.

Convertible Bonds: Denominated in dollars unless otherwise with the current coupon.

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975

INFORMATION SERVICE FT UNIT TRUST



B			CUI A FDWN	TROUBLE T	A A ANT ONL	CEDVICE	\$2.81 K. S.	FOGD, 6	ROCERIES—Cont.
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BRITISH FUNDS	641 ₂ 561 ₂ Arric. Mt. Spc. ' 831 ₂ 731 ₂ Alcan ICl.50c '8' 294 ₄ 25 Met. Wtr. 30c' 104 69 U.S.M.C. 9pc I' 92 851 ₂ Do. without W	inanciał	245 202 ANLS SAT 246 202 ANLS SAT 246 203 186 Alexanders D 247 248 258 248 249 186 Alexanders D 258 12.99 425 200 Alexanders D 258 258 259 459 269 258 258 258 261 258 258 258 262 258 258 263 264 265 264 265 265 265 265 265 265 265 265 266 265 265 266 265 267 268 268 268 268 268	11 226 - 1022: 17 5.6 5.4 11 100 £9 +2 1023: 19 7.3 7.4 13 11 100 £9 +2 1023: 19 7.3 7.4 13 11 100 £9 +2 1023: 19 7.3 7.4 11 11 10 £5 10 £	Winney (Geo) 94 +11-22 CHEMICALS, PLA 0 462 Alexo Fl.20 500 +25 0 8 101 Alexo Fl.20 122 +3 2	25 48 34 6.7 76 52 Ward & Gold . 100 56 11 100	0 119 12.22 4.6 2.711.7 344 6.09 2.5 2.5 2.5 328 4.5 1.0 2.5 2.5 2.1 2.1 2.1 320 80030, 3.8 3.9 3.4 6 6 -1 5.4 2.5 11.3 54.1 6 24 14 32 2.3 5.4 6 90 4.1 1.3 0 3.8 6 18 840 4.1 1.3 0 3.8 6 18 840 4.1 1.3 0 4.1 2.6 11.8 18 840 4.1 1.3 0.9 14.1 05.8	14 8 Fisher (A) 85 66 Fitch Lovel 55 46 Glass Glow 117 61 Hazimund 117 123 Hillards 10	50 1112 0.11 18 3.9 1 200 84 41 52 21 88 4 8 50 47 1185 24 5540 7 205 117 87.0 24 8.5 6 8 755 425 311 40804
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93. 94. Tress Variable 22. 975. 15.27 16.41 93. 234. Tressury 8-pc 22. 974. 8.84 12.51 93. 255. Ext. 9-pc 1982. 93. 941 12.27	Stock Stock Stock S2 43 Antofaçasta Riy 55 50 Do. 50c Pref 98 98 Chilean hinted 58 19 Chilean 4/pct 18 45 18 Do. 50c 1912 5		92 52 F. C. Finance 94 First Nat. 10 5 16 2a White 75	1. 17	3 49 Costes Bros	1. 40 30 Allen W.G	55	26 12 Panto (P.) 53 37 Pyle Hldgs. 51½ 41 R.H.M. 100 Robertson F 172 140 Robertson F 126 512½ Safeway S 120 280 Sainchury (10p. 47 +5 +6.0 51 30 73 47 +6 335 1210 6 ects 101 +6.33 23 98637 1.50 166 -6 7.25 32 6.2 5
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"Shorts" (Lives up to Five Years) 100; 93; Extremer 13c 1980; 99; 13.07 14.86 57; 56; 56; Treasmy 11; 2c 1981; 99; 11.66 13.04 56; 50; Treasmy 94; 1981; 98; 1983; 99; 11.56 56; 50; Exch. 92; 1981 96; 96; 13.55 56; 52; Exch. 92; 1981 96; 15.61 57; 95; Exch. 12; 2c 1981; 99; 12.25 57; 95; Exch. 12; 2c 1981; 12.25 58; Exch. 92; 1983; 12.25 58; Exch. 92; 1983; 12.25 58; 12; 12; 12; 12; 12; 12; 12; 12; 12; 12	35 2812 Greek 7pc Ass. 35 31 Do. 6pc 28 Shi, A 34 30 Do 4pc Mixed A 53 51 Hung, '24 Ass. 65 50 Izeland 61-pc 163-8	35 31 65. 32 36 66. 30 22 87. 65 64	13.76	100 100	2 260 Noechst DMS 255 +1 172	197 21 9.6 4.9 77 68 Same Per 20, 20, 20, 20, 20, 20, 20, 20, 20, 20,	73 6.45 2112.644.9 57 3.0 4.6 7.6 3.3 37 12 13.2 2.5 12.6 3.6 39 4.15 2.3 15.2 4.1 22 4.0 0.8 20.4 (8.7) 185 19.0 3.0 7.7 4.9	78 138 Tate & Lyk 35 12 Tavener Rut 75 54 Tesco 50	1.20p 28 +2
99 223 Freasury 12pc 1984 98 at 1221 1258 1832 93 Freasury 15pc 1985 1077 13.90 12.60 715 418 10.90 Five to Fifteen Years	24 142 De. 5pc 25 Ear 184 142 Esmant 13pc 200 35 282 Greek 7oc Ass 35 31 De. 6pc 28 Sti. A 30 De 4pc Missed Ass 65 50 Icetand 61-pc 63-8 394 79 Ireland 7-pc 81-8 374 71 De. 5pc 73-28 295 200 Japan 4pc 10 A 69 56 De. 6pc 63-28 155 155 Peru Ass. 2007 595 590 S.G. I. 61-pc 193 594 581 Turin 65-pc 193 96 96 Unusuny 31-pc	33	6 13.12 220 120 130 identification	69. 59 +2 6.5 - 7.9 - 8 - 220 +2 6.5 - 4.2 - 11 - 323 -16 114.25 7.4 6.0 27 19 - 55 - 435 0 8.9 0 19 - 255 +4 6.5 - 411 6.5 - 256 +3 6.5 5.3 7.9 3.1 6.9	12 352 Do. 57647. 51 4112 33 36 62 Int. Paint 73 3.0 56 93 Laporte Inds. 50p 104 -1 8.7 58 Leigh Inds. 50 126 55 50 Workey (R. N.) 100 5502 +1 03 52 CLB Word Inds. AVS B 23872 +2 03	5 1.78 912.01 - 30 211 8 Berster (D.F.) 5 5 4.21 6.11 4.2 464 24 Berster (D.F.) 5 5 2.61 12.0 4.7 189 171 Samples. Mist 0 1.8 3.817.5 46 30 87 samples. Mist 7.5 \$ 8.5 \$ 6 1508 740 88 katcher 93.9 24 6 221 8 49 38 Blacker d Hodge	28 4.0 0.8 20.4 (m) 185 10.0 3.6 7.7 4.9 9 30 3.5 1.4 16.7 6.1 935 +34 076c 3.6 44 2.5 2.7 1.3 5.8 11 1.35 1.1 17.5 (7.0)	HOTELS	AND CATERERS
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1031, 854, Fresary 13p: 1990tt 1011, ++, 13.69 13.11 805, 675, Fresary 18p: 87-90tt 797, 18.61 12.20 954, 825, Fresary 114p: 1991 934, 12.90 13.55 504, 444, Fresary 114p: 1991 934, 12.90 13.55 505, 444, Fresary 114p: 1905 471, 12.93 13.41	32½ 165, ASA 34 27½ AMF 5% Corw. 6 21 15% Abbott Labs. 25¼ 17½ Amax S1 15% 11½ Amax S1 15% 11½ Amax S1.	7. 27 - 4 \$3.0 7. 27 - 4 \$5.0 25 - 5.2 21 - 23 - 5 \$2.4 50 16 - 4 \$2.0			DRAPERY AND ST	0RES 13 #4.2 74 50 Brom's Cast 10, 18 122 Brom's Cast 10, 18 122 Brotoe Fool 99 57 Brotoe Fool 99 57 Brotoe A Tawas 1 1115.4 4.9 67 46 Brotoe Cast 10, 18 1115.4 4.9 67 46 Brotoe Cast 10, 18 115.4 1	16 mm hins 24 4 67	30 21 Macth (M.F.) 93 68 Prince of W 41 30½ Quees': Mos 75 149 Rowton Hot 21 11½ Ryan Hotek) 10p 22 -1 0.8 24 5.211.6 Vales 73 -1.72 4.7 3.4 6.1 11.5p 40 m +1 10.15 3.0 2.6 17.2 11.5p 44 67.0 1.9 7.8 9.4 5.5p 11.7 1.5 2.116.3 3.9
922, 781, Exch. Lipt 1991. 963, -1, 12.73 13.37 997, 271- Treasury 124pc 7221. 983, 13.36, 13.52 363, 744, Treasury 10pc 1992. 824, 12.17 13.03 1605, 644, Exchequer 13.5c 72. 944, 13.12 13.37 1333, 444, Exchequer 13.5c 72.	25% 13% Asarco Inc. II 16 11% Saker Intol. Corp. S 24% 16% Bankers N.Y. S1 10% 650p Sames Grp. S52 24% 16% Bendux Corp. S5	0 254 +15 53.3 100s +16 80c	<u> </u>	_ 63 292 _ 6.1 31 Purchase, etc. 68	26 10. 'A' 5p 30	5 24 9.8 3.0 62 41 Boltough 20p- 3.6 3.518.0 54 34 Burgess Prod 1.5 9.3 29 5.3 68 40 Camford Erg 33 4.3 4.0 6.9 62 45 Cappe-Netl 10	42	55 291 ₂ Statos (Reo) 00 132 Trestionse F 51 40 Wane Rek. X 10 200 Wheeler's I	110p 55
\$37, 851, Treasury 12 st. "93tt. 971, 1317 1332 \$654, \$57, Canding for 1993tt. 62 st. 1916 1168 1977, 75, Treasury 12 st. 1993tt. 1053, 1361 1356 115 (5) Treasury 14 st. 1064, 1371 1355 1035, 95 Extrequer 13 st. 1994 1022, 1353 1360	114 830p Beth Steel \$8 1054 597p Brown'g Fer. cl6 675p 455p Brusswick Corps. 375 251g Berroughs Corps. \$ 24 183 CPS \$2.50	104 +12 516 21 25-2 + 5 700 1 618pp +7 96	0	E 174 +1 5.77 24 63139 14 65 63 78 12 65 22 +1 105 24 63 78 32	26 Bentalis 10p 26 -2 13 7 Bitom & Con. 20p. 10 +12 42 Boardman KO 5p. 10 0. 21 Bolton Text. 5p 24 0.6	5 25 7.4 6.2 84 59 Carde Eng	66 - 52 42113 23 63 463 23105 54 39 26 28 95 54 66 26 64 56 39 148 133 29 32156	INDUST	RIALS (Miscel.)
120-1 55-1 Exth. 124-pc 1994	315 ₂ 25 C.P.C. S ²		0 — 52 147 91 Prov. Pintario 0 — 48 10 11 Siris, Crafa II 0 — 68 14 56 Siris Siris, 1 3 — 45 52 52 Wagan Finan	아! 프레! ㅡ ㅣㅡㅣㅡㅣㅎㅣ;;;;	113 Brit. Home Strs. 150 -3 M. 24 Brown (N) 20p. 37 3.3 104 Barton Grp. 50p. 113 -3 trid 35 Carters 'A' 20p 40 -2 d2 18 Castert (S.) 10p 18 17	2 26128 35 101 48 Clifford (Ch.) 11. 10 29 63(6.9) 285 225 Cohen (A) 200. 3 257 3 2 49 37 Concentric 10p	57 +1 3167 25 (83) 58 6.0 38143 32 48 175 14223411 295 +5 6.8 4.7 4.2 5.4 42 13.2 2.7 (10.9) 3.8	30: 153 AGB Researd 70 53 Azrossu 8rs. 40 29 Abbey Ltd. 55 212 Aero & Gen	109 250 +3 6.0 \$ 3.7 \$ 101 50 4.2 2210.0 54 33 04.92 3.914.9 22 1274 540 35 4 0.9 \$
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1151 951 1250 1250 1540 1540 1550 1550 1550 1550 1550 15	134; 25% Corn. (Lank SII 254; 15% Cross 2ell. S5. 15% 972; Ezton Cro. \$3.50 24; 11% Esmark \$1	_ 25.5 - 5.52.5	0	2.3	68 Courts 'A' 68 31 153 Currys 72 64 Debenhams 73 -2 63 44 Dewhirst 10p 57 +1 fill 90 Dixons Photo 10p 119 +3 333	7 26 7.8 6.1 37 28 Danks Gowerton 4.1 5.2 (5.5) 24 16 Des. & Met. A 7.0 p. 24 16 Des. & Met. A 7.0 p. 24 16 Des. & Met. A 7.0 p. 25 12 p.	202 +2 134 0.8 9.6 224 111 +1 6.7 14 86 10.4 542 6.0 1.915.7 4.3	30 230	ter 530 +15 915 93 0.4238 10a 40 ml.75 57 57 57 110a 12 81 173 12 49 7st 54 30 31 7.9 56
70 65; 1-200 8:40 1997# 744 -4 11.76 12.40 664; 57 12.40 664; 57 12.40 664; 67 12.40 664; 67 12.40 664; 67 12.40 664; 67 12.40 1998 75 12.40 12.	4205 2505 Firestone Tire II 6955 5256 First Checago \$5 211 ₂ 11 Fluor Corp. \$5 155 9406 Ford Motor \$2	201 ₆ - 12 51.20 201 ₆ - 12 51.20 201 ₆ - 12 80 225 + 1 ₈ 51.2	0 — 22 193 193 194 195 195 195 195 195 195 195 195 195 195	-4 5.63 23 5.6 83 23 178 23 5.6 83 178 23 23 5.6 83 178 23 23 5.6 83 178 23 23 23 23 23 23 23 23 23 23 23 23 23	18 Eliis & Gold 15p. 1912 2: 128 Empire Stores 146 -4 5: 24 Executex 20p. 26 -1 1: 18 Do. 'A' 5p 20 1:	5 191268 42 108 8712 Derttand 50p 3.0 5.0 9.5 135 100 Descounter 5 3.9 10.2 3.2 39 32 Downlebrae 1.0p. 5 1.8 10.7 7.6 47 32 Drake & Scotl 10 1.8 10.7 7.6 92 68 Outtile Steels	103 -2 168.47 3.0 11.7 (3.2)	36 28 Ass. Sprayer 1262 8632 Asily 5 Master 1434 712 Austin F (Ley 01 94 Ason Rubbe 69 31 BBA Greup	10p 72 d0.76 2.2114.9 3.5 51 200 +3 10.36 2.314.8(3.4)
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374 324 Conv. 342c fol. Aft. 353ed 9.85	4389 2349 Saul (B. F.) \$1 174 ₃ 113 ₅ Shell 00 \$1 4630 2930 Strger (SIG) 264 ₂ 183 ₄ Sperry Corp. 50.56 21 153 ₅ TRW Inc. \$13 ₄	414p +5 - 164st +3 1614 4550 -1 40c 0. 223 -1 5176		AND ROADS	80 James (Erusst) 10n	73 38 481/7/ 110 95 Halfre 50p	106 7.75 2610.4 42 1 111 ₂ 88 27 9.9 48 1 228 -6 80 34 5.0 7.1 53 68 29 86(45) 80 5.65 127101 7.8	17 79 Black (P) Hi 18 B3 Blundeil Per 12 68 Bodycote Int 12 15 Bogod Pel A' 13 48 Booker McC	m. 93 -2 448 43 74 48 C. 82 45 36 70 43 Db 15 18 9 112 9 L 53 +3 1312 34 84 39
INTERNATIONAL BANK 87-2 78 5pc Stock 77-82 86-4 5.80 13.28	194 147 Tenneco \$5 154 125 Da 163 La Sa 91 134 7350 Teson Pt. USS0165 12 124 Texaco \$6.25 253 171 Time Inc. \$1	137 ₃ + 7 ₂ 22.4 5 145 100 10 -1, 200 15 -1, 52.4 25 -1 + 1, 51.6	60 194 117 Aberelan Can 60 197 29 Aberelan Can 70 37 29 Aberelan Sink 13 107 450 Archite Mon 70 66 31 Archite Mon 6 20 252 148 1970 151 151	1 221-1 156 44 67 40 48	84 Do. Nos Vig. Ord. 84	5 1.7 ± 2.7 15 68 However Machy. 5 1.7 ± 2.7 15 10 However Group. 1.7 ± 2.7 15 10 Hunt Moscrop. 3.0 5.8 6.8 6.8 6.4 43 1.M.1. 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4 1.4	122 36 35 42 75 2 16 0.9 14 12 9 6.5 3 5 14 2 3 13 14 5	5 105 Boot (Heary) 6 158 Boots 180 ₂ 5134 Borg-W. US\$2 0 141 Bowater 5.1 2 38 Braby Lesie 1 35 Brady inds. "	251 -5 7.6 29 4.0111 250 536 05239 -655 - 167s -2 115 23 9.8(52) 10; 40 51 1111878
CORPORATION LOANS 971-2 83% Bath 111-pc 1985	8540 6650 Transamerica \$1 205, 12 Union Carbide \$1 234, 174, Utd. Tech. \$US5 1042 7250 U.S. Steel \$1 124, 9670 Woolwords \$34	1 125. 33.21 204. 52.21 947p +5 51.61	2 — 6.7 20 14 Saley Sen 10 0 — 4.7 143 160 Earne 100 10 0 — 4.7 143 160 Earne 100 10 0 — 7.4 20 63 Earne 100 100 100 100 100 100 100 100 100 10	10 16 462 4711 22 202 10 16 16 16 17 17 18 18 18 18 18 18 18 18 18 18 18 18 18	1801; Martin News 200	4.0 6.1 4.4 80 42 Jenks & Cattell, 52 3.3 62 43 29 Johnson & Firth 7.7 66 452 Jones Group 10p 24 5.5 7.1 84 7.0 Jones Group 10p 13.4 2.8 15.9 117 76 Laird Groop	65	8 122 Branser (H.) 90 ₂ 14 Bresqueen 1 7 2 ₂ Bridgent Proc. 8 50 Bridgent - G 2 5 24 Bridgent - G 2	200 152 +4 55 23 52 84 52 30 H05 41 24 123 55 58 +2 50 11 129 (N)
1022/2 90 Eurnley 13pc 1967 1011; -1, 1323 1339 952, 93 G.L.C. 12/20 22 961, 14, 12,76 1334 952; 904, 14, 12,75 1364 9524 1344 Glasson 94pc 20-62 924, 14, 10,03 13,63	25% 21% Xerox Corp. 51 25% 114 Zapata Corp. 25c CAN	ADIANS '		262 24 50 60 90 64 7525 36 31 53 90 65 -2 55 15109 75 135 152 55 50 15 29 93 30	96 RISS News 109. 130 3.4 69 R'thm. Goldsmith. 82 +12 3.25 92 Oliver (G.) "A". 93m +1 74.0 77 Owen Owen 104 -6 3.7 14 Paradise (B) 10p. 27	3.7 5.7 5.5 40 21 Lake & Bliot 5.2 6.1 3.4 23.2 13 Lee (Percy) 109 4.5 5.1 5.2 23.2 13 Lee (Arthur) 129 2.5 2 36 25 Ley's Foundries	29	2 55 SB & EA 4 25 Brit. Cine T, 12 6 46 Brit. Syptich 2 177 11842 British Vita 5 585 B. H. Prop. \$	25. 66 40 23 8.7 6.8 120:::: +11:: :52 5.6 6.2 3.6 [A2 789 +26 037c 4 2.4 4
75:2 649; Herts 64pc 1985-87.	12½ 870p Sk. Nova Scct. \$ 800p 685p Self Carrada \$83 954p 433p Bow Valleyi 12½ 820p Brascanij 10½ 860p Can, Irap, Sk. \$2	1 313 + 3 5160 5 690 + 10 5164 850 - 21 100 115 + 5 52.2	5 53 129 100 Dreadon Line 5 26 120 Dreadon Line 5 90 422 120 Dream Line 5 90 101 551 Street in Line 5 74 52 Street in Line 5 75 50 670 Dream Line 5 75 50 Grand Line	2 125 -2 120 2.0 2.5335 2.2 - 70 - 55.3 2.6 7.5 5.7 77 - 75.3 1 50.0 7.2 15 5.2 50	33 Patrison (W.L.). 34 3.15 43 Peter; Sures 10p. 58 -2 143. 56 Presedy (Altred) 56 3.35 37 Puttisan R. & J. 5p 45 +1 3.81 7 Ramar Text. 5p 7 0.53	42 7.4 3.5 44 322 Lloyd (F.H.) 15 15 9 Locker (T) 5p 15 8.5 9.5 380 190 M.L. Holdings Margan Bronze (Margan Bronze	37 ¹ 2 4.0 1.615.2(6.0) 7 14 10.6 2.4(10.8 5.2) 12 1.06 2.4(12.6 4.5 4.5 4.5 4.5 4.5 4.5 4.5 4.5 4.5 4.5	32 48 Breek St. Br. 4 22 Brooks Wat. 2 3 27 Brown Boy. Kr 68 Bruntaus (Mar 8 20 Bupco Dean	20 22 04.29 26.17.0 29 est 30 22 25.105.649 ss) 84 86 1.4146 62 20 -1 15.0 2.1 1.9
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FINANCIAL TIMES

Tuesday September 16 1980



£138m August trade surplus

BY DAYID MARSH

BRITAIN recorded a £138m surplus on the current account of the balance of payments in August, the fourth successive month in the black.

Unexpectedly buoyant exports. together with a drop in imports resulting from the recession and an increase in invisibles earnings, have produced a small overall surplus on current account during the first eight months of 1980. This contrasts with the Government's expectation only a few months ago that the current account would be in fairly large deficit this year.

The strength of the pound has contributed to a weakening of import prices which has benefited both the trade figures and the inflation rate in recent

The currency's firmness does figures published vesterday by not seem, however, to have significantly damaged export volume, which has been little changed lately. Sales to oil exporters and developing countries have risen, and exporters run of monthly trade surpluses are also passing on fairly large since 1971. price increases to foreign custo-

BALANCE OF PAYMENTS Current Visible Invisible **--3.404**

Last month's surplus was below the record £336m recorded in July, but was well above June's £80m surplus, according to seasonally adjusted

Visible trade was in surplus in August — to the tune of £63m — for the third successive month. This works the longest

This has partly reflected account performance for the Britain's move to oil self- year as a whole will be signifi-

sufficiency. The surplus in oil trade was £10m last month after £102m in July.

Net earnings on invisibles transactions - services, interest, profits and dividends and transfers — have been revised upwards. They are now thought to be running at about £75m per month, against earlier estimates of £50m.

The improved invisibles trend helps explain why the current cantly better than the £2.75bn deficit forecast by the Treasury in March.

For the first eight months of the year, the current account has swung into a surplus of £244m compared with a deficit of £1.2bn at the same stage last

Import volume, reflecting the fall in demand caused by the recession, dropped in the last two months by almost 2.5 per cent compared with May-June, and was 6.5 per cent below the average level of the third quarter last year. Imports of manufactured goods — especially cars-have fallen particu-

Export volume dropped slightly last month from July's high levels, but has been broadly flat in recent months.

The prices of exports have increased by an averaged 2.5 per cent in the latest quarterly period. But import prices have weakened lately and are down to around the levels at the start

of the year. Balance of trade table, Page 8

Peugeot and Fiat link to produce new engine

By Rupert Cornwell in Rome

FIAT, the Italian car manufacturer, and Peugeot of France. yesterday signed a far-reaching a new jointly produced smaller sized engine.

The engine, Fiat said last night, would be entirely new in design, and developed to be as fuel-efficient as possible. The scale of output envisaged is around 1m units per year.

No decision has yet been taken on whether the eventual manufacturing plant will be sited in France or Italy, but production is expected to begin in 1984 or 1985.

The deal forms part of Fiat's drive to rationalise production of components—especially of so-"core components"—to achieve the economies of scale necessary to survive in the harsh climate for major car

companies likely in this decade. The new engine, Fiat said, will be for vehicles at the lower end of the range, and feasibility studies have already begun.

Co-operation

The agreement carries a stage further the increasingly close co-operation between the Italian company and Peugeot In Feb ruary they decide to rationalise their respective opeartions in Argentina in a new company jointly controlled by the two groups. They are already col-laborating in a project in Southern Italy to produce light

commercial vehicles. Peugeot, which also embraces Citroen and the former European operations of Chrysler, was Europe's largest car producer in 1979 with 2.34m units, while Fiat was fourth with 1.72m units. Both concerns have been particularly heavily hit by the current downturn in the

-international car market.

Last night's announcement coincided with the resumption of talks between Fiat's management and engineering union leaders, in an attempt to break the deadlock over Fiat's plans to make 14.469 workers in its car division redundant. This is a result of the present contraction in demand which is expected to last until the end of

Unclear

The outcome of these negotiations is unclear—as is the which the Italian Government is due (in theory at least) to take on the conquestion of the planned joint venture in Southern Italy between Alfa the state-owned car manufacturer and Nissan motor company of Japan.

It seemed probable yesterday that a final ruling on the deal, which has been bitterly fought by Fiat, would come at a session tomorrow of the Government's industrial policy committee. But the situation could change, because of the entanglement of the Alfa Romeo question and the

Continued from Page 1

Output

spending. The fall in the prices of some household goods and items of clothing between July and August tends to confirm this extension of special sales.

Compared with non-seasonally adjusted data for 1979 the value of retail sales this August was 10 per cent higher than a year earlier. In the first eight months of this year the average value of sales was 13 per cent higher than in the same period of 1979.

Iran blocks OPEC policy

BY RICHARD JOHNS AND MARTIN DICKSON IN VIENNA

IRAN EMERGED yesterday as compromise on a new long-term to the rate of no more than pricing and production policy Im b/d claimed by Mr. Moinfar. within the Organisation of Incurrent surplus conditions it Petroleum Exporting Countries. has priced itself out of the At the opening session of a market major OPEC rilateral con-Sheikh Yamani said Saudi

ference — bringing together foreign, finance and oil Ministers — Iran took issue with other members over the agenda. The move was symptomatic

of Iran's dissatisfaction with proposals for a long-term strategy drawn up by a six-nation ministerial committee headed by Sheikh Ahmed Zaki Yamani, Saudi Arabian Minister of Oil. Theoretically, Iran is represented on it but has not participated since the revolu-

Iran's acting Minister of Oil. demanded that output levels should be made the first item on the agenda but was over-

ruled by other members. They had reached an understanding that the more contentious issues of realigning prices and setting levels of output, a prerequisite for a long-strategy would be a system for term policy, should be deferred to a meeting of the Oil Minis- ing to inflation, currency ters scheduled for Wednesday, fluctuations and — to give

producing by 3m barrels a day. This contrasted with an estimate of 2.5m b/d given by Sr. Calderon Berti. Venezuelan Minister of Energy.

from all over Poland will gather

national co-ordinating commit-

tee and other forms of inter-

The meeting marks an

important stage in the consoli-

ment after last month's nation-

Representatives from the 16

industrial centres where at least the skeleton of an inde-

pendent union movement has

been organised already will com-

pare experiences and develop

It is two weeks since the

authorities conceded workers

the right to set up their own unions alongside the officially

It is impossible to say how

many workers are involved in

the independent unions. Esti-

mates for the Gdansk region

The movement is also growing

fast inother parts and indepen-

dent unions are being organised

in the main indsutrial centres

such as Katowice, Warsaw,

BRITISH Airways is to cut some

routes this winter and sell off

aircraft as part of an attempt

to eliminiate rising cash losses

stemming from a shortage of traffic. There will be no com-

pulsory redundancies, however.

By the end of July, the air-line had a pre-tax loss of £17m

for the first four months of the

financial year. This compared with a pre-tax profit of £42m

for the same period last year.

tive, said yesterday in a mes-sage to all staff: "We are fac-ing a world-wide recession. Our

home market is even more de-

pressed. Competition is increas-

Mr. Watts said that in the

first four months of the financial year, there were 500,000 fewer passengers than

in the same period the previous

year. Revenue earned £100m short of the target.

Mr. Roy Watts, chief execu-

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

range from 500,000 to 1m.

union co-operation.

their organisation.

controlled movement.

wide strike.

BY CHRISTOPHER BOBINSKI IN WARSAW

FREE TRADE union activists Szczecin and Lodz.

for the first time in Gdansk to-morrow to discuss setting up a recognise the workers' rights to

dation of the free trade unions agreed to by the Polish Governsets out the rules under which

Marian

Finance Minister.

Arabia had not decided what its production level would be in the last quarter. Regardless of agreement, however, it is expected to lower it by some margin to help reduce the market surplus.

In an earlier outburst Mr. Moinfar objected to Mr. Saadoun Hammadi, Iraqi Foreign Minister, taking the chair of the conference in accordance with procedures. Mr. Moinfar said Iran should preside, a claim which reflected the bitter hostility between the two countries. To settle the dispute Algeria, host of the last conference, took

the chair. November, to approve a longterm strategy that Sheikh Yamani's committee has been

working on since 1977. A key element of a global Yesterday Mr. Moinfar revenue gains in real terms — claimed that OPEC was over- the average growth rate of members of the Organisation for Co-operation and Economic

Development. compromise would be for Saudi

Polish unions plan to consolidate

In some places the local

set up independent unions. In

Rielce, in the South a strike

at the Iskra ball bearing plant

The Polish press has pub-

the independent unions may

LOANS FROM Western banks

and institutions and the

Soviet Union have enabled

Poland to fulfil its more than

\$7bn borrowing requirement

for this year, according to Mr.

agreed to defer payment on an earlier \$280m hard currency

loan and to provide a new 10-

year, low-interest, soft-currency loan worth the

currency loan worth of

medium- and short-term hard

British Airways to drop routes

"We are in a very serious financial situation. If we allow

it to continue, our whole future

is at risk," he said. Mr. Watts said various

economies announced earlier this summer, including a 3,500 cut in staff through natural

wastage and early retirement,

The airline is cutting its capacity offered this winter by

about eight per cent, saving

The Concorde route

Bahrain and Singapore is being suspended from November 1

and this would save about £2m.

will not now take over the

seventh Concorde, still owned

Gatwick to Dusseldorf, Frank-

furt and Zurich are to be sus-

pended. Frequency of flights

Services this winter from

by the Government.

a year. The airline probably

would save over £50m.

another £20m.

Krzak the new

Soviet Union has

Foreign economic help

is continuing on that issue.

Iran's acute concern arises Arabia to reduce its output to the biggest stumbling block to a from the slump in its exports 8.5m b/d maximum from the present ceiling of 9.5m b/d in return for adoption of the system recommended by the long-term strategy committee

chaired by Sheikh Yamani. Implementation of the system depends on OPEC realigning prices. Saudi Arabia's basic price of \$28 per barrel compares with a median in the Gulf of \$32 and a rate demanded by Iran for equivalent crude of

Differences between members over the status of the expanded OPEC Spcial Fund, th capital of which is bing increased from \$4bn to \$20bn, have not been resolved. Its main purpose is to ease the burden of high oil import costs in the Third World through provision of soft loans.

Venezuela, Algeria, Iran and Indonesia would like to see it upgraded into a fully-fledged An OPEC summit is scheduled development agency authorised for Baghdad, capital of Iraq, in to raise money on international

> Apart from Algeria, which is expected to be a borrower of money for the indefinite future. the other Arab members still appartently have some misgivings about strengthening its legal power because they favour bilateral aid programmes.

It has not been decided how the contributions to the enlarged capital should bе shared. The understanding is that it should be calculated On important element of a according to production levels

The decree says the new

unions must register in the pro-

vincial law courts in Warsaw

after the courts have examined

the union's proposed statutes

and declared them to accord

status in law. The court retains

the right to de-register a union

should conflict with the law."

Squalor and hope, Page 2

currency credits arranged since May.

agreed to repeat assistance given to Poland after the 1970

agreeing to supply additional

consumer goods, raw materials for light industry.

500.000 tons of wheat and other items worth around

\$155m. Mr. Krzak said that

this showed the Soviet Union

could be counted on by its allies when times became

hard. But he admitted that

he did not know whether

further loans would be made.

from Gatwick to Barcelona,

Madrid, Malaga and Gibraltar

will be reduced. Services from

Gatwick to Copenhagen and

Stockholm will be combined and the Birmingham-Copen-

hagen flights will be suspended.

pension of the London-Moscow-

Tokyo route and the service to

Georgetown, Guyana. Alto-gether, the airline will with-draw more than 50 flights a

These changes will result in one Boeing 747 Jumbo jet being sold, while the VC-10 jet

fleet will be cut back to two,

which will be withdrawn in

Further savings of up to £5m in the fuel bill (running at

£600m this year) will be made.

helicopter is being deferred.

Air rares cuts, Page 9

Purchase of a sixth Chinook

week this winter.

Other changes include sus-

Soviet Union has

1976 disturbances by

Registration_gives a union

its activities or structure

with the State constitution.

£50m fast reactor fee from Britain

THE FRENCH Government has entrance fee to a European pro-

The figure of £50m was dis-closed yesterday by Sir John Hill, chairman of the UK Atomic Energy Authority. He said it was partly to compensate the French Government for its investment in the half-finished 1,200 MW Superphenix fast reactor project in the Rhone

the other 50 per cent.
The £50m represents about one-tenth of the bill the French Government expects to pick up. The request for an entrance fee—which is twice as high as that estimated by the Financial Times when it first disclosed the

Parliament is not expected to take kindly to the idea of a cash payment roughly equal to

Sir John Hill said yesterday that he hoped the British Government would reply to the French proposal by the end of the year but stressed there had been no negotiations so far.

It was up to the Government first to set out its policy on the fast reactor and, if it wished to continue with commercial development, to state whether this should be by Britain alone or in collaboration with other nations, he said.

Sir John said it was simply not possible to negotiate a full technical collaboration with other countries yet retain commercial competition between

Peat Marwick this is worth £6.6m, making Continuation's total value (including Convert-Sir John sent a strongly worded protest about last week's ibles) just short of £60m. For Panorama programme on Douncomparison RIT is capitalised at reay, its fast-reactor developowan, BBC director-general.

manipulating the news widely releasing the opinions of its own commentators to the Press well ahead of the programme-particularly in Scotland, where nuclear energy is an especially sensitive issue-without allowing the URAEA to know what was being broadcast. Sir John said yesterday that the Government would shortly make its own statement on the Panorama "revelations" that it

Proprietary, Australia's largest had lost two fast-reactor fuel pins. He said the statement would not "bear any but the most tenuous relationship to what has been put to the public in the media in the early days

CLOUDY, outbreaks of rain. with bright intervals and showers later in the North; dry, sunny intervals and rain later in the South. Temperatures

London, most of England, Channel

Lakes, Wales, most of Scotland Cloudy, rain, hill and coastal

Argyll, N.W. Scotland, Orkney, Shetland, N. Ireland Cloudy, rain, brighter with showers later. Max. 14-15C

WORLDWIDE Y'day

	l		mid	day			mid	
	}		*C	•F			•c	. °F
	Ajaccio	S	24	75	L. Pims.	S	28	82
	Alguers	S	28	82	Lisbon	F	29	84
	Amsdm:	č	18	54	Locarno	5	21	70
	Athens	F	28	82	London	С	18	64
ı	Barcina.	s	27	81	Luxmbg.	С	15	59
ì	Beitut	F	2B	82	Luxor	S	35	96
	Bellest	A	15	59	Madrid	S	30	88
ĺ	Beigrd.	S	22	72	Majore3	S	27	81
ì	Berlin	F	16	61	Malega	F	27	81
Į	Biarritz	S	22	72	Maita	С	26	79
Ì	B mghm.	С	19	66	M'chstr	R	16	61
ŀ	Blackpl.	Č	17	63	Milan	Ş	24	75
	Bordx.	C	16	61		S	10	50
Į	Boulgn.	С	16	6 1	Moscow	F	17	63
ı	Bristol	Ě	20	68		S	18	64
ı	Brussels	F	18	64		F	23	73
ı	Budpst.	С	19	66		s	27	81
ı	Cairo	S	29	84	Nwcstl.	C	14	57
l	Cardiff	R	19	66		F	23	73
1	Cas'b'ca	s	28	82		S	26	79
Į	Çape T.	\$	18	64		F	27	81
į	Cologna	C	18	61		\$	17	63
i	Conhan,	F	15	59	Paris	S	21	70
Į	Cartu	5.	- 31		-Perth	C	17 .	
1	Dublin	C	19	66		R	9	45
1	Dbrvnk.	S	25	77	Reykjyk.	Ş	9	48
ı	Ednbgh,	R	15	59	Rhodes	S	28	82
l	Fare	F	28	82	Rome	S	27	81
ı	Florence	S	26	79		F	19	66
ı	Frankit.	·F	18	64	Stckhm.	С	75	59
Ì	Funchal	S	26	79		F	20	68
ı	Ganeva	Š	19	66		S	20	68
Į	Gibritt.	č	25	77	Tangler	F	30	86
١	Glasgow	Ã	14	57		Š	27	81.
ł	G'rnsey	ë	15		Tenerile	š	28	87
ł	Helsinki	č	13		Tunis	š	28	
Į	looshet	ĕ	20	20	Veleccia	Ĕ	28	82

French seek

asked Britain for £50m as an ject for design of a commercial fast-breeder type of nuclear

Valley.

The French Government is paying half the cost of Super-phenix, with the electricity supply industries of France. Italy and West Germany paying

French offer a month ago—has presented a major political headache for the British

one year's research and development on the fast reactor by the UKAEA, £60m in 1979-80, when by successive Governments it has been led to believe that Britain remained in the vanguard of the technology.

The letter accuses the BBC of

National executive to direct nuclear project, Page 6

Weather

near normal.

Dry, sunny intervals, rain later. Max. 19-20C (66-68F). S.W. and N.W. England,

fog, brighter later. Max. 16-17C (61-63F).

Outlook: Sunny intervals rain. Temps. near normal.

	j .		•c	•F			•c	. °F
	Ajaccio	s	24	75	L. Pims.	S	28	82
	Alguera	Š	28	82		F	29	84
	Amadm:	č	18	54	Locarno	S	21	70
	Athens	F	28	82	London	С	18	64
ı	Barcina.	s	27	81	Luxmbg.	С	15	59
i	Beitut	F	28	82		S	35	96
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ì	Berlin	F	16	61	Malega	F	27	81
l	Biarritz	S	22	72		C	26	79
į	B mghm.	С	19	66		R	16	61
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	Bordx.	C	16	61	Mntreal.	Š	10	50
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ı	Brussels	F	18	64		F	23	73
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ļ	Cardiff	R	. 19	56		ន៍	26	79
ı	Cas'b'ca	S	28	82		F	27	81
ł	Cape T.		18	64	Oporto ·	ś	17	63
ł	Cologna	č	18	61	Oslo	S	21	70
١	Conhan,	£	15	59	Paris	č	17	63
	Cartu	ž.	31		-Perth	Ř	'é'	45
Į	Dublin	č	19		Prague		ğ	48
ł	Dbrvnk.	5	25	77	Reykjyk.	Ş	28	\$2
ı	Ednbgh,	R	15	59				81
İ	Fare	F	28	82		Ş	27	66
ı	Florence	3	26	79			19	
Į	Frankit.	Ē	18	64		č	15	59
ı	Funchal.	s	26	79	Strasbg.	F	20	68
ł	Ganeva	S	19	66		ş	20	68
ı	Gibritr.	C	25	77		F	30	86
J	Glasgow	R	14	57		S	27	81 .
ı	G'maey	C	15	.29	Tenerile	s	26	82
1	Helsinki	С	13		Tunis	S	28	82
Į	innsbrk.	S	20		Velencia	F	28	Œ
1	invenss.	R	14	57	Venice	Ċ	22	72
Į	I.o.Man	R	15	59	Vionna	Ç	19	66
1	Istanbul	s	22	77	WALSAW	C	13	55

THE LEX COLUMN

The game of the name

What's in a name? Not very much when it is Smith, Jones or Index fell 8.2 to 500.7 Brown, but the name Rothschild is worth fighting for to judge by the intensity of the family feud which yesterday emerged in public at the annual meeting of Rothschild Investment Trust. At stake is the family name of the publicly quoted trust (chairman Jacob Rothschild) which has been steadily splitting away from the private bank holding company Rothschild Continuation (largest shareholder, Evelyn de Rothschild). Continuation sold almost all its remaining shares in RIT last month, but it still has one hold over RIT because of the latter's articles of association. What it boils down to is that Continuation can require the name Rothschild to be removed from

And it seems that the board of

Continuation would very much

around a continuing personal

commitment by Jacob Rothschild

here it seems the lawyers have

decided that the trust can have an intermediate holding com-

pany -called J. Rothschild, and

perhaps more importantly the

Meantime Continuation is to

find a purchaser for RIT's 11.4

per cent stake. On the basis of

the recent periodic valuation by

ver £80m, and at least it will

now be freer to pursue its in-

dependent development without treading on the toes of the bank,

N. M. Rothschild, Athough

there are no plans to go directly

into merchant banking as such.

Investment Trust.

There is, however, the prob-

like to see him go.

the trust's title if Jacob Rothschild ceases to be director of Continuation and the bank. report also shows the extent to which oil and gas have taken over as the main contributors to BHP's progress. Profits on oil and gas before financing charges rose 62 per cent to \$200.7m, about two-thirds of the whole. Steel, in which BHP. Continuation will only permit RIT to keep its name on the basis of a series of restrictions which the trust finds wholly un-\$200.7m, about two thirds of the this shares to a premium rating while. Steel, in which BHP At 277p, up 11p yesterday, they has a monopoly in Astralia stand on 81 times fully tiged and in which it has invested earnings, and the historic yield acceptable. So yesterday RIT set out its fall-back position, which essentially revolves 60 per cent of its capital, turned in a loss for the fifth time in the past six years. Both steel and the related to the trust. For at least five years it will have the man if not the name; although even

coal mining interests were-badly affected by strikes last year but the importance of oil and gas will continue to rise as more of the group's reserves fall into the category in which the Australian Government associated open-ended offshore allows producers a higher

investment London and New York Investments (of which RIT has about half) proposes to call itself J. Rothschild International \$15.30 f Recently, the shares have been nudging their high of \$15.30 for the year where they trade at more than 11 times 1979-80 profits. But analysts in Britain, where about 4.5 per cent of BHP's shares are held. are forecasting a further sustained period of rapid earnings

Simon Engineering

Considering the difficult background, Simon Engineering's the shops, which will figures for the first half of 1980 are commendable. Trading Tradingprofits have been held at £6.6m is a 5 per cent advance to £7.6m thanks to higher interest on Simon's cash balances.

lem of a new name; why not JR Roughly speaking, a deterioration in the UK part of the business—including exports on its trade-weighted index to from the UK—has been offset 75.6. In part this seems to Net worth of Broken Hill by a strong performance over-reflect the foreign exchange reprietary, Australia's largest seas especially in process plant market's expectation of weak-company, continued its rapid contracting, and at Unichem ness in the oil price, now that company, continued its rapid climb last year, growing more the U.S. oil and gas services

than one quarter to nearly company. The exception to the reduction of output.

general weak trend at home was once again provided by the bulk storage subsidiaries

In the second half, some of the UK manufacturing businesses should show a recovery from the strike-hit antumn of 1979, and there has been loss elimination at Simon Coutainer Machinery. But in general the order position is poor, and not improving Demand is flat in the food machinery companies. while Simon Hartley—the important sewage and effinent treatment subsidiary is suffering from public spending cors. Moreover, the UK-based contracting - subsidiaries are moning short of work, parties larly in petrochemicals. 'As a result, Simon's profits for the year may be little dif-ferent from last years, £181m

The latest annual to move off the plateau in 1981, given the present-state of order Still, the group's ability to rice out the recession more companies is rapidly pushing

is a modest 5.9 per cent.

Trade figures The City's recession-watchers

had plenty to keep them busy yesterday, with three sets of statistics to study. The August trade figures showed another surplus on visible account, even if, at £63m, it was rather below. some expectations. The British economy—as the July industrial output figures suggest—is weakening faster than overseas 22035 freedomies. So exports are managing to hold up, and import volume is still relatively. low, although it rose sharply from the July level, and may pick up further once the importers UK customers have got

their stocks down.

The August retail sales as a given showed a small rise over July, but this probably reflects nothing more than the unusually long summer sales in upset the seasonal adjustment

of this series.
Still, the gilt-edged market on fire closed lower on the day, and equities were also down. threatened dock strike some foretaste of the tussies that may be in store over pay this winter, and sterling fell 0.6 on its trade-weighted index to 75.6. In part this seems to reflect the foreign exchange Saudi Arabia has postponed a

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